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More Reportage on ASEAN Meeting on Cambodia

Statement on U.S. Policy

BK2507011590 Bangkok THE NATION in English 24 Jul 90 p 10

[Text] ASEAN foreign ministers issued a joint statement in Jakarta yesterday with reference to Washington's announcement that it would no longer support the Khmer Rouge-dominated guerrilla coalition which occupies Cambodia's seat in the United Nations.

The ASEAN Foreign Ministers expressed their deep concern that the global trend towards peace has bypassed Cambodia, despite many attempts to forge a settlement. The Foreign Ministers expressed their regret that the parties to the conflict have failed to bring an end to the suffering of their people and destruction to their country. All parties involved have hardened their positions and retreated from previous areas of agreement. Military conflict has intensified. They believe that the time has come for all parties to the conflict to respond positively to the various peace efforts being pursued and seriously negotiate a comprehensive political settlement.

They reiterated their condemnation of all responsible for the policies and practices of the period 1975-1978 which led to the extermination of Cambodians on a large scale. They are firmly of the view that there should not be a return to the situation of 1975-1978. They stressed that no Cambodian group should be allowed to seize or retain power through force of arms.

They reiterated their conviction that the conflict can only be settled through peaceful negotiations and rejected the pursuit of military gains at the expense of the interests of the Cambodian people. The Foreign Ministers are of the view that there is a pressing need for a ceasefire as a crucial element of a comprehensive political settlement.

The ASEAN Foreign Ministers fully supported an enhanced role for the United Nations in Cambodia. They stressed that there are several possible avenues towards a comprehensive settlement. There could be a United Nations interim administration for Cambodia, pending elections. There could be a Supreme National Council [SNC] representing all shades of political opinion that could administer Cambodia in the interim period through existing administrative structures in conjunction with the United Nations. These avenues are acceptable if they allow the Cambodian people to make a choice through credible, free and fair elections under United Nations supervision.

The Foreign Ministers are convinced that the Cambodian factions should come to an urgent agreement on the creation of the Supreme National Council as a vehicle towards achieving national reconciliation and a comprehensive political solution to the Cambodian problem. They shared the view that the Supreme National Council should consist of representative indivuals with authority among the Cambodian people of all shades of political opinion. They expressed the view that the representation of Cambodia at the UN is a delicate political question and that attempts to change the representation of Cambodia at this time, in the absence of an acceptable SNC, would set back the search for a comprehensive political solution to the Cambodian problem. They are of the collective view that the Supreme National Council should occupy the Cambodian seat at the United Nations after it is formed. The Foreign Ministers expressed the hope that the Supreme National Council as envisaged in this Joint Statement would be constituted by the time the forty-fifth United Nations General Assembly is convened in September.

The Foreign Ministers are convinced that in working towards the goal of an early comprehensive political settlement to the Cambodian problem, Prince Norodom Sihanouk will continue to play a key role.

The ASEAN Foreign Ministers encouraged the Five Permanent Members of the United Nations Security Council to continue and intensify their efforts. ASEAN will continue to coordinate its efforts with the Permanent Five and the United Nations Secretary-General. They expressed the hope that the two co-chairmen would be able to reconvene the Paris International Conference on Cambodia as soon as possible. The Cambodian people have waited too long for a just and durable peace settlement. They deserve it now.

Further on Speeches

BK2507041590 Bangkok BANGKOK POST in English 25 Jul 90 p 6

[By Phonphimon Kanchanalak and Suphaphon Kanwirayothin in Jakarta]

[Text] In a bid to steer the Cambodian issue back towards a comprehensive political solution, ASEAN ministers reasserted their leadership while calling for realism in multilateral efforts for a peace settlement.

The ministers were adamant peace must come through the framework of the Paris International Conference on Cambodia (PICC) which failed to produce a peace accord in August last year.

The 23rd ASEAN ministerial meeting opened in Jakarta yesterday focussing on ASEAN leadership and its unified position on Cambodia amid a flurry of diplomatic moves.

In the most eloquent speech, Singaporean Foreign Minister Wong Kan Seng referred to the US announcement of a policy shift to derecognise the Khmer resistance as one of the signs indicating ASEAN's role in the search for a solution is being overshadowed.

"It was ASEAN's cohesion on Cambodia that boosted our prestige and enhanced our credibility and effectiveness in the capitals of major powers and in international organisations," he said, adding that the joint statement on Cambodia issued on Monday night reaffirmed ASEAN's commitment to the basic principles on the issue

Malaysian Foreign Minister Abu Hassan Oman called for urgency in dealing with Cambodia before the problem "begins to acquire new dimensions or is subjected to new influences."

Thai Foreign Minister Sitthi Sawetsila drew attention to the fact that "prevailing realism" would require ASEAN to "exert greater efforts to harness the current positive trends in international developments to bring about an early settlement to the Cambodian problem."

ACM [Air Chief Marshal] Sitthi also said it is time to bring together the global and regional efforts, including the Tokyo meeting which revived the negotiating process, before the PICC.

Indonesian Foreign Minister Ali Alatas said renewed impetus must be injected into the peace process, which should be guided back to the PICC because of concern that the process "may be losing its way in the multiplicity of forums and efforts by various sides."

As co-chairman of the PICC, Indonesia is ready to assume that role again when conditions are ripe for reconvening the conference, Mr Alatas said.

Foreign Minister Sitthi also welcomed reestablished diplomatic ties between China and Indonesia, as well as the proposed establishment of diplomatic relations between China and Singapore.

"These moves would be beneficial to the reinforcement of regional peace and progress as a whole," he said.

While the West is increasingly seeking to exclude the Khmer Rouge from the political process, ACM Sitthi reiterated the principle of non-exclusion, where all Cambodians must be given equal opportunity in the process of self-determination.

"A primary objective of ASEAN all along has been to promote self-determination for the Cambodian people through free and fair elections. Equal opportunity must be given to each and every Cambodian who seeks to stand before the judgement of the people. To deny them such a right would make a mockery of the call for self-determination. After all, the supreme voice in Cambodia belongs to none but its own people," said ACM Sitthi.

The assertion of ASEAN leadership in the Cambodian issue was reflected in the Malaysian, Singaporean and Indonesian addresses.

"It would seem to me that the leadership of ASEAN to find a peaceful, durable solution to the Cambodian problem is more urgently required now," said the Malaysian minister, adding ASEAN must continue to give its undivided support to Prince Norodom Sihanouk, whose role is essential in achieving national reconciliation among the Khmer factions.

The Singaporean minister made a direct response to the West on the Khmer Rouge issue.

"My concern is that the West, acting out of moral revulsion towards the Khmer Rouge, and sympathy and hope for Vietnam, may bring about the very outcome that we all fear most. The outcome will be a military solution or a solution brought about largely by military pressures. Either would probably leave the Khmer Rouge in a dominant position and shut out the non-communist Cambodians," he siad.

Singapore also warned the Khmer Rouge issue cannot be dealt with by taking a morally impeccable position.

"Denying the Khmer Rouge their place at the negotiating table cannot deal with military pressures. Which country in the world is willing to send military forces to Cambodia to help Hun Sen fight the Khmer Rouge? The US, the EC or ASEAN?

"Unless there is a political settlement that Beijing can accept, this support (for the Khmer Rouge) will continue and the struggle in the battlefield must intensify," he said.

Radio Report on Speeches

BK2407132190 Jakarta Domestic Service in Indonesian 1200 GMT 24 Jul 90

[Station correspondent Kabul Budiono's dispatch on ASEAN foreign ministers' speeches at ministerial meeting in Jakarta, 24 July]

[Text] Listeners, in his opening address, Foreign Minister Ali Alatas, in his capacity as chairman of the ASEAN Standing Committee, said the move to unseat the Coalition Government of Democratic Kampuchea [CGDK] from the United Nations is a setback in the efforts to seek a comprehensive political settlement to the Cambodian problem. Alatas expressed concern that if the current deadlock in the efforts to solve the problem continues, we will lose our momentum.

Meanwhile, Singapore questioned the U.S. decision to withdraw its recognition of the CGDK at the United Nations. Its Foreign Minister Wong Kan Seng expressed concern that the U.S. move would strengthen Vietnam's illusion in pursuing its intransigent policy.

In his opening address this morning, Thai Foreign Minister Sitthi Sawetsila stressed the importance for all parties to return to the framework of the Paris International Conference on Cambodia. Sitthi said ASEAN must ensure that all efforts to solve the Cambodian issue will lead to such a framework.

In this connection, Malaysia stressed the importance of national reconciliation for a comprehensive settlement to the Cambodian problem. Its Foreign Minister Datuk Abu Hassan Omar said there was no other alternative but to find a comprehensive political solution with a view to seeking national reconciliation in that country.

Malaysia believes that Prince Sihanouk's leadership is still needed in such national reconciliation and ASEAN must therefore continue to support him. Abu Hassan Omar said the initiative of the five UN Security Council members would encourage holding talks on Cambodia. However, without trying to remove suspicion among rival Cambodian factions, their efforts will be useless.

In his opening address, Brunei Foreign Minister Mohamed Bolkiah said even though efforts to solve the Cambodian problem have often faced difficulties, he believed such efforts would produce results.

In his speech at the open session this morning, Philippine Foreign Minister Raul Manglapus stressed the importance of ASEAN's resolve to maintain its regional security for peace in the region.

Listeners, apart from the Cambodian problem, the six ASEAN foreign ministers also discussed ways to increase intra-ASEAN cooperation and efforts to cope with the refugee problem. Minister Ali Alatas said among other things that the issue of the Vietnamese refugees has now been complicated by the presence of Cambodian boat people. Therefore, he called on Vietnam to pay greater attention to this matter by preventing secret departures. He called on all parties concerned to exert joint efforts to solve the refugee problem.

Listeners, the refugee issue was discussed by the six ASEAN foreign ministers not only at the open session, but also at the closed-door session, which started this evening and will continue until tomorrow.

Communique To Stress Cambodia, Refugees

BK2507082290 Hong Kong AFP in English 0802 GMT 25 Jul 90

[Text] Jakarta, July 25 (AFP)—The conflict in Cambodia and the burden of Indochinese refugees remain key concerns of the Association of Southeast Asian Nations, but ASEAN is taking new steps to enhance regional economic cooperation.

The six ASEAN states decided in their two-day annual meeting ending here Wednesday to prepare an annual macro-economic survey which would help them define areas for cooperation, ASEAN diplomats said.

The diplomats said the study would be along the lines of those prepared by the Organization for Economic Cooperation and Development (OECD) on developed countries.

Foreign ministers of Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand also decided to hold a summit—only their fourth in 23 years of existence—by 1992. Diplomats said it would probably be held in Singapore next year.

A lengthy final communique prepared for the closing ceremony later Wednesday put the stress, as in past years, on the decade-old Cambodian conflict and on the problem of Indochinese boat people who have placed a heavy burden on the economies of the Southeast Asian nations where they have sought asylum.

In the final draft, obtained by AGENCE FRANCE-PRESSE, the ministers for the first time highlighted a "recent upsurge of Cambodian boat people," in addition to the Vietnamese refugees who have predominated in the past. They urged the United Nations High Commissioner for Refugees (UNHCR) and "other parties concerned" to stop the outflow and "prevent the exacerbation of the already complicated situation and heavy burdens of the first asylum countries." They asked that the issue of Cambodian boat people be included "within the purview of the international efforts to solve the problem."

On the Cambodian conflict, the text noted with regret that the warring factions "so far have not sufficiently shown the necessary political will for a negotiated settlement."

The ministers repeated their position, expressed in a joint statement Monday ahead of the meeting, that any attempt to change Cambodian's representation at the United Nations at this time "would set back the search for a comprehensive political solution."

The statement was issued after U.S. Secretary of State James Baker announced Washington's decision to withdraw recognition from the ASEAN-backed resistance which holds Cambodia's seat at the United Nations.

On refugees, ASEAN ministers "can no longer accept Vietnam's plea of its inability to deter clandestine departures. They can also no longer accept the continued opposition by Vietnam and the U.S. to involuntary repatriation," the text said.

Survival of an international plan of action on refugees decided in Geneva last year hinges on the issue of involuntary repatriation, which Vietnam and the United States should accept "in its totality," ASEAN said.

The ministers threatened to take unspecified action to protect their national interests if the deadlock continued, but they stopped short of saying—as they did in a joint statement Tuesday—that such action could include an end to temporary refuge.

The ASEAN ministers, who open annual talks with their major trading partners here this week, meanwhile indicated they would be taking up what they saw as slow progress on issues relating to improved market access for products of export interest to ASEAN.

Vietnam Willing To Take Refugees

BK2507090590 Jakarta ANTARA in English 0825 GMT 25 Jul 90

[Text] Jakarta, Jul 25 (OANA-ANTARA)—The Vietnamese Government would open its door to refugess who are willing to return to their homeland although they had left their country illegally, a Vietnamese official stated here Tuesday evening.

The open door policy would, of course, help solve the Vietnamese refugee problem faced by its neighbours, including Indonesia, said Tran Quoc Van, Vietnamese chief delegate, who is here to hold consultations on efforts to solve the refugee problem with the Indonesian authorities and representatives of the United Nations High Commissioner for Refugees (UNHCR).

He said that those (the Vietnamese refugees) who were willing to return home voluntarily would be warmly welcomed although they had left their country illegally, and the Vietnamese authorities would not take any legal measure aginst them.

We are prepared to let other countries or the UNHCR monitor what we will do against the returnees, said Van who leads a three-man Vietnamese delegation.

Van, who was flanked by Phan Cong Hang of the Vietnamese Embassy here, further said that his delegation had previously visited Malaysia and Thailand for discussing the refugee problems with local authorities and representatives of the UNHCR.

According to him, the Vietnamese breakthrough was warmly welcomed by the officials from the three countries—Malaysia, Thailand, and Indonesia.

Answering a question on how many Vietnamese refugees had expressed their willingness to return home voluntarily, he said that he had not yet known the exact figure, but according to a report from the UNHCR, some 300 Vietnamese refugees in Indonesia had expressed their willingness to return home.

Indonesia at present accommodates at least 17,000 boat people from Vietnam and they are now temporarily settled on Galang Island.

When we were visiting a refugee camp in Thailand, as many as 132 people said that they wanted to return to their homeland, he added.

As a whole, the number of Vietnamese refugees who were willing to return home was increasing, he said adding that in February 1989, Vietnam and Britain had reached an agreement on handling of Vietnamese refugees in Hong Kong.

In the span of 18 months, a total of 3,500 Vietnamese refugees in the British colony had been repatriated, he acknowledged.

He admitted that the new Vietnamese policy had sometimes faced some difficulties, particularly concerning the repatriation and the fund for transportation costs.

Tran Quoc Van was very optimistic about the refugee problem. He said sooner or later it could be solved, and Vietnam would always consult with the countries of temporary refuge and the UNHCR.

The arrival of the Vietnamese delegation is coincident with the ongoing 23rd ASEAN ministerial meeting here, which also tackle the influx of the Indochinese refugees into the ASEAN member countries.

A joint statement issued by the ASEAN foreign ministers said that Vietnam, as the source of the boat people, had failed to formulate a step to prevent the illegal exodus of its people from their country.

Vietnam and the United States, the statement said, had refused to carry out involuntary repatriation of the non-refugees.

The ASEAN foreign ministers declared that such a step was inconsistent with the international agreement on the treatment of political asylum seekers, which would pose a threat to the continuity of the Comprehensive Plan of Action (CPA).

ASEAN is a regional grouping consisting of six Southeast Asian countries—Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, and Thailand.

'Key Excerpts' of Communique

BK2507101690 Hong Kong AFP in English 0957 GMT 25 Jul 90

[Text] Jakarta, July 25 (AFP)—The Association of Southeast Asian Nations (ASEAN) Wednesday urged renewed efforts to resolve the Cambodian conflict and the problem of Indochinese boat people.

In a 78-point communique issued at the close of a two-day annual ministerial meeting, ASEAN called for a new summit "in view of the rapid changes presently taking place in the world." They also called for an annual regional economic survey, or ASEAN macro-economic outlook, to be implemented.

Key excerpts of the communique included:

—Cambodia

The ministers said the Cambodian conflict could be resolved only "by thoroughly preparing the resumption of the negotiating process of the Paris International Conference on Cambodia and not by military means."

They urged all Cambodian factions to intensify efforts to set up a supreme national council (SNC) "consisting of representative individuals with authority among the Cambodian people repesenting all shades of political opinion."

The SNC "should be the embodiment of the independence, sovereignty and unity of Cambodia and should occupy Cambodia's seat at the U.N. after it is formed....

"Attempts to change the representation of Cambodia at this time, in the absence of an acceptable SNC, would set back the search for a comprehensive political solution to the Cambodian problem."

—Indochina Refugees

The unabated outflow of refugees "has developed into a cause of tension not only between the CTR (Countries of Temporary Refuge) and countries of origin but also between the CTR and third countries."

The ministers reaffirmed their commitment to the Comprehensive Plan of Action (CPA) decided at an international conference on refugees in Geneva last year and urged Vietnam and the United States to accept the CPA "in its totality." If this were not done, ASEAN ministers reserved the right "to take whatever action they deem necessary to safeguard their own national interests."

They expressed "grave concern over the recent upsurge of Cambodian boat people" and asked all parties to try to stem the outflow. "They are of the view that measures must be taken to include the Cambodian boat people within the purview of the international efforts to solve the problem."

—ASEAN Economic Cooperation

ASEAN ministers "felt it was timely to take more concrete steps toward more effective intra-ASEAN economic cooperation."

Taking "particular note" of Manila's proposal for an ASEAN treaty of economic cooperation, they directed senior officials to "consider the setting up of a committee to study the need for a treaty or other framework."

—International Economic Relations

Ministers "expressed their disappointment on the slow progress on issues relating to improved market access for products of export interest to ASEAN." They endorsed the Asia-Pacific Economic Cooperation forum as a "loose, exploratory and informal consultative process" that should not "dilute ASEAN's identity" or lead to establishment of an economic trading bloc.

—Regional Security

Regional security "required careful observation at all times." They agreed to conduct a dialogue on the subject.

They welcomed the "fundamental changes in East-West relations which have significantly improved the international climate for the promotion of peace, security and cooperation among states."

They reiterated their position that nuclear disarmament negotiations "should involve all nations under the aegis of the United Nations" and "expressed their concern that such negotiations still remain the domain of the superpowers."

Meeting Ends; Show of Unity

BK2507140690 Hong Kong AFP in English 1344 GMT 25 Jul 90

[Text] Jakarta, July 25 (AFP)—Foreign ministers of non-communist Southeast Asia ended their annual meeting here Wednesday with a show of unity in the face of a recent U.S. policy shift on Cambodia, saying they expected an explanation.

Ministers of the Association of Southeast Asian Nations (ASEAN) said they "only asked to be convinced" that the shift would get results, but Foreign Minister Ali Alatas of host Indonesia said ASEAN had "honest doubts" about it.

ASEAN, a staunch supporter of the Cambodian resistance coalition, is to seek first-hand explanations from U.S. Secretary of State James Baker in talks here Friday and Saturday. Mr. Baker announced in Paris last week that Washington was withdrawing its recognition of the U.N. seat of Cambodia currently held by the resistance coalition, which is dominated militarily by the Khmer Rouge.

ASEAN diplomats said Mr. Baker had been approached about a special meeting on Cambodia, in addition to the regular annual session with ASEAN which focuses on economic and other general issues. But Mr. Baker "did not seem keen," one senior diplomat said.

Mr. Alatas told a press conference ending the talks that ASEAN had "suggested various ways" to discuss the latest Cambodian developments with Washington "but the answer has been difficult to obtain."

ASEAN, which groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand, in a joint statement Monday, said the U.S. decision was "at the current stage of delicate negotiations, a setback" to peace efforts.

In closing statements Wednesday, all ministers made reference to the group's solidarity and unity in taking swift decisions during the meeting, including on Cambodian peace efforts. The swiftness with which ASEAN issued its joint statement on Cambodia, after a working dinner Monday on the eve of the talks, was in the words of Singaporean Foreign Minister Wong Kan Seng because "ASEAN solidarity had been questioned."

Mr. Baker, along with foreign ministers of ASEAN's other "dialogue partners'—Australia, Canada, the European Community, Japan and New Zealand—will hold a series of talks with their Southeast Asian counterparts here starting Friday.

The ASEAN meeting Tuesday issued another joint statement concerning Indochinese boat people, warning that unless Western countries did their part, the first-asylum countries of Southeast Asia could not be forced to continue to provide temporary refuge.

Countries of the region have been providing first refuge to an increasing flow of Indochinese boat people, but they have complained that resettlement to other countries was slow and that they were left with a "residue" that nobody wanted.

Mr. Alatas said Tuesday ASEAN was not "threatening anyone" with the statement but that it just represented open options, including the abandonment of first refuge, should other countries bound by the comprehensive plan of action on refugees agreed in Geneva last year not respect the agreement.

A joint communique issued at the close of the talks specifically mentioned Cambodian boat people, saying that a "recent upsurge" in arrivals was adding a further burden on countries of first asylum. The communique went on to mention the group's decision to enhance intra-ASEAN cooperation by strengthening its organisational structure.

The group agreed to make periodical macro-economic surveys which will allow the identification of areas for intra-ASEAN cooperation and to strengthen the ASEAN Secretariat. The ministers also agreed to start preparations for another ASEAN summit although no date or venue was disclosed. ASEAN diplomats said it would likely be held in Singapore next year.

Malaysia meanwhile takes over the revolving chairmanship of ASEAN's Standing Committee to replace Indonesia.

Statement on Refugees

BK2407154290 Jakarta Domestic Service in Indonesian 1500 GMT 24 Jul 90

[Text] ASEAN foreign ministers today issued a statement on the Vietnamese boat people. The statement, issued on the first day of the annual meeting of ASEAN foreign ministers in Jakarta, said that Vietnam, being the country of origin of the boat people, had failed to stop the illegal departure of its people.

The statement also said that Vietnam and the United States had objected to the forced repatriation of those who do not come under the category of refugees. The steps taken by these two countries is not consistent with the international consensus on separating political refugees from economic migrants.

Alatas Holds News Conference

BK2507113090 Hong Kong AFP in English 1115 GMT 25 Jul 90

[Text] Jakarta, July 25 (AFP)—Foreign ministers of the Association of Southeast Asian Nations (ASEAN) closed their annual talks here Wednesday with a call for renewed efforts to resolve the Cambodian problem.

Foreign Minister Ali Alatas of host Indonesia told a closing news conference that the six states were looking forward to discussing Cambodian developments with U.S. Secretary of State James Baker from Friday [27 July]. He indicated that Mr. Baker had not officially responded, however, to an ASEAN request for a special session on Cambodia in addition to the scheduled talks on bilateral, and particularly economic, issues.

Mr. Baker last week announced U.S. plans to withdraw recognition from the ASEAN-backed resistance coalition that holds Cambodia's seat at the United Nations. He will be in Jakarta for ASEAN's annual dialogue sessions with major trading partners—the United States, Australia, Canada, the European Community, Japan and New Zealand.

ASEAN comprises Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Australia's Evans Attends Post-Ministerial Forum

BK2507154690 Hong Kong AFP in English 1532 GMT 25 Jul 90

[Text] Jakarta, July 25 (AFP)—Australian Foreign Minister Gareth Evans Wednesday urged Southeast Asian nations not to abandon their policy of offering temporary refuge to Indochinese boat people. He meanwhile welcomed a recent U.S. decision to withdraw recognition from the resistance coalition that holds Cambodia's United Nations seat, saying it could help the peace process.

Mr. Evans, arriving for talks with the Association of Southeast Asian Nations (ASEAN) here Friday and Saturday, was responding to ASEAN's warning that it could not bear alone the burden of giving shelter to refugees.

In a joint statement issued here Tuesday during an annual ministerial meeting, ASEAN states accused Vietnam and the United States of failing to support an international action plan on refugees.

Mr. Evans told reporters upon arrival at the airport: "We very much hope that while we continue to try to find common ground with the U.S. and Vietnam...the first asylum principle and practice will continue to be maintained by ASEAN."

"I hope everyone will continue to work for common ground and acceptance of workable principles rather than turning their backs on the problem and limiting the extent to which first asylum is accepted in the traditional humanitarian position taken by ASEAN," he said.

Mr. Evans particularly welcomed the U.S. decision to open a direct dialogue with Vietnam, seeing it as a signal Washington "is prepared finally to put the legacy of Vietnam behind it and to actively search for the kind of relations and solutions necessary as part of a comprehensive settlement."

Noting that the U.S. position on Cambodia's U.N. seat was the same as Australia's, Mr. Evans said he expected discussions on the issue over the next few days. He said the U.S. policy shift "is not likely to hinder the peace process and may indeed help it by loosening up the atmosphere a little and in focusing sharply the need to get the Supreme National Council established."

The council is a proposed interim government for Cambodia before general elections are held.

Malaysia To Chair ASEAN Standing Committee

BK2507104390 Kuala Lumpur BERNAMA in English 1011 GMT 25 Jul 90

[Text] Jakarta, July 25 (OANA-BERNAMA)—Malaysia has taken over the chairmanship of the ASEAN standing committee from Indonesia for a one-year period.

Malaysia will thus host the 24th ASEAN foreign ministers meeting in June next year, it was announced at the end of this year's meeting here Wednesday.

The chairmanship is rotated annually in alphabetical order among the six ASEAN member states—Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

This year's meeting was attended by all the foreign ministers as well as traditional observers from Papua New Guinea and the Solomon Islands.

The United Nations sent two senior representatives to the regional conference for in-depth discussions on pressing problems on Cambodia and the Indochinese boat people problem.

Aesa Claude Dialla of Senegal represented the U.N on the Cambodian conflict in her capacity as chairperson of the U.N ad hoc committee on Cambodia while Rafiuddin Ahmad took part in discussions on the boat people issue.

Rafiuddin is the special representative of the U.N. secretary-general on humanitarian affairs in Southeast Asia.

The two-day conference will be followed by a post-ministerial meeting between the foreign ministers and ASEAN's dialogue partners, Australia, Canada, the European Community, Japan, New Zealand and the United States, beginning on Friday [27 July].

PNG Foreign Minister on Bougainville, APEC

BK2507014290 Hong Kong AFP in English 2008 GMT 24 Jul 90

[Text] Jakarta, July 24 (AFP)—Papua New Guinea [PNG] Foreign Minister Michael Somare announced here Tuesday that he would lead negotiations aimed at resolving the crisis on rebel Bougainville Island next week.

Speaking at the opening of the annual meeting of the Association of Southeast Asian Nations (ASEAN), Mr. Somare also urged that South Pacific states be included in the fledgling Asia-Pacific economic forum.

Papua New Guinea is attending the ASEAN session as an observer.

On the Bougainville crisis, Mr. Somare said: "I am pleased to announce that on behalf of my government I will be personally holding negotiations aimed at resolving the Bougainville crisis next week."

He gave no details.

On the Asia-Pacific Economic Cooperation (APEC) forum, Mr. Somare said: "Being part of the region, Papua New Guinea along with other South Pacific countries are conscious of such proposals and believe that participation should not be restricted."

"We therefore seek ASEAN's support for the inclusion of South Pacific countries at meetings of the Asia-Pacific Economic Cooperation forum," he said.

A second APEC meeting—following a preliminary session in Canberra last year—is to be held in Singapore July 30 and 31.

Attending are the ASEAN states, Australia, Canada, Japan, New Zealand, South Korea and the United States. The Pacific Economic Cooperation Conference and the South Pacific Forum have been invited as observers.

Japan

Nakayama Wants Khmer Rouge Included in Talks

OW2507145590 Tokyo KYODO in English 1433 GMT 25 Jul 90

[Text] Tokyo, July 25 KYODO—Japanese Foreign Minister Taro Nakayama sided with Southeast Asian nations Wednesday against the sudden U.S. policy shift on Cambodia, and said he supports inclusion of the Khmer Rouge rebels in peace talks. "For a settlement of the war, it is desirable to have the four warring factions participate in the supreme national council," a planned transitional governing body, Nakayama said.

The four parties are the Vietnam-backed Government of Premier Hun Sen, the Communist Khmer Rouge, and two noncommunist resistance factions of Prince Norodom Sihanouk and of former premier Son Sann.

Last week, U.S. Secretary of State James Baker announced the U.S. withdrawal of support from the tripartite resistance in the United Nations in an effort to isolate the Khmer Rouge, which has scored recent military victories in the 11-year conflict.

The foreign ministers of the six-member Association of Southeast Asian Nations [ASEAN] on Wednesday said in a statement they feared that changing Cambodian representation at the UN would impede progress toward a comprehensive political solution. ASEAN consists of Indonesia, Thailand, Malaysia, the Philippines, Singapore, and Brunei.

Nakayama told reporters he also hopes for the early establishment of the supreme national council of representatives of various Cambodian groups, and will continue asking China to encourage participation by the Khmer Rouge.

Nakayama made the comments in a joint media interview on the eve of his departure for Jakarta where he and foreign ministers from the United States, Canada, Australia, New Zealand, and the European Community will hold an annual meeting with their ASEAN counterparts.

In the interview, Nakayama told reporters that his planned visit next week to Laos—the first by a Japanese foreign minister in 31 years—is intended to foster greater prosperity in Indochina. "The prosperity of Laos will invigorate the Indochina region, so if there is anything I can do I hope to cooperate," Nakayama said.

Japan regards it as possible to take separate stances toward Laos and Vietnam because it has been free of involvement in the region, Foreign Ministry officials said.

Nakayama said he hoped to help China, Taiwan, and Hong Kong gain entrance to the Asia-Pacific Economic Cooperation (APEC) grouping to be held in Seoul next year. The second meeting of APEC, a forum for economic cooperation launched last November in Canberra, is slated for next week in Singapore.

Kaifu Welcomes DPRK Invitation for LDP Visit

OW2507044890 Tokyo KYODO in English 0421 GMT 25 Jul 90

[Text] Tokyo, July 25 KYODO—Prime Minister Toshiki Kaifu on Wednesday hailed as a step toward improved bilateral relations a North Korean invitation to the ruling Liberal Democratic Party (LDP) to send a high-powered delegation to Pyongyang in September.

The invitation to send a delegation, which will be headed by influential LDP member and former Deputy Prime Minister Shin Kanemaru, was conveyed through a Japan Socialist Party (JSP) group that returned to Japan on Tuesday after visiting North Korea from Friday. Kaifu told reporters that if the way is paved for dialogue, it must be welcomed as a positive move toward better relations between Japan and North Korea. Kaifu said he is waiting to be briefed in detail on the matter by the JSP mission.

The JSP often acts as a conduit for exchanges between Tokyo and Pyongyang in the absence of diplomatic relations between the two countries.

The seven-member delegation that flew to Pyongyang last Friday also had the aim of trying to win the release of two Japanese seamen detained by North Korea since 1983.

Government sources close to Kaifu the same day indicated that Japan is willing to negotiate on matters obstructing the normalization of ties with North Korea, namely the issue of compensation to North Korea for Japan's 1910-1945 colonial rule of the Korean peninsula. "North Korea naturally retains the right to seek compensation from Japan and the Government of Japan will respond to it," the sources said.

Separate government sources said the issue must be addressed to pave the way for governmental negotiations, saying it was a matter to be solved before the two nations conclude a peace treaty.

Japan maintains that the compensation provided to South Korea under the 1965 basic treaty between Tokyo and Seoul covers the whole of the Korean peninsula, and this may cause difficulties, the sources said. If North Korea demands an apology from Japan in addition to the one made to South Korean President No Tae-u during his Tokyo visit in May, Japan will repeat its apology to the North, they added.

On June 15, Kaifu told the Diet that he is ready to apologize to North Korea for the Japanese colonial rule. Earlier this month, Kaifu said he wanted to enter into talks to improve relations with North Korea "without any preconditions."

Kim Yong-sun, a secretary of the North Korean Workers Party's Central Committee, told the JSP group that in order to improve bilateral relations, Japan should apologize to North Korea for its past colonial rule and offer compensation and economic assistance to Pyongyang.

JSP's Tanabe Assesses Talks With DPRK

OW2507021390 Tokyo NHK General Television Network in Japanese 1209 GMT 24 Jul 90

[Interview with Makoto Tanabe, vice chairman of the Japan Socialist Party, JSP, at Narita airport in Tokyo by Hatsuhisa Takashima in the NHK studio in Tokyo—live; from the "NHK News 21" program]

[Text] [Takashima] A JSP [Japan Socialist Party] delegation, which began its visit to North Korea on 20 July, returned home just a while ago after winding up its itinerary. During its visit, the North Korean side reportedly displayed a forward-looking attitude toward the solution of the pending No. 18 Fujisan Maru issue and toward the acceptance of a visit to North Korea by a Japanese delegation to be headed by former Deputy Prime Minister Kanemaru of the Liberal Democratic Party [LDP]. Here is Mr. Tanabe from Narita Airport.
[Tanabe] Yes.

[Takashima] Thank you for your trouble.
[Tanabe] Well, I am back.

[Takashima] While you were in North Korea, we were sometimes quite irritated because we did not know details of your activity there. First of all, would you please tell us what your itinerary was like and who you met there?
[Tanabe] During our visit this time we reconfirmed and pledged to each other to further develop the friendly relations between the JSP and the Workers' Party of Korea [WPK]. We also agreed to promote each other's efforts for unification between the North and South and to make further efforts for an Asian peace zone. Thus, we made pleas and reconfirmed questions which our two parties have heretofore been addressing. The biggest question, or the greatest purpose of our visit, was to discuss how to promote improved relations between Japan and North Korea. The two countries have yet to restore diplomatic relations; current relations are said to be very bad.

I went to Pyongyang one day later than originally scheduled. So for three days, from morning to night, we discussed this issue. Our partners from the WPK were Kim Yong-sun, director of the International Department, official in charge of international relations, who became a WPK secretary this year, replacing Mr. Ho Tam; and Kim Yang-kon, deputy director of the International Department. These two officials met with us for three days. I stayed four nights in Pyongyang; Kim Yong-sun, director of the International Department, dined with us all four evenings. So, he and I utilized every odd moment to explore avenues for improved relations between Japan and North Korea.

[Takashima] Let me confirm this, please. You have not met President Kim Il-song or other government officials.
[Tanabe] There was almost no time to do so. When we went to Pyongyang in 1987 by Friendship and Amity Ship, we went all the way to the meeting place, which is far from Pyongyang, where President Kim Il-song was. This time, however, we had no time to leave Pyongyang, and so we devoted our time to so-called high intensity business-like talks.

[Takashima] I want to ask you about the talks, beginning with Japan-North Korea relations. In your news conference in Beijing, you said that the North Korean side showed a forward-looking attitude toward accepting a visit to North Korea by a Japanese delegation to be headed by former Deputy Prime Minister Kanemaru.
[Tanabe] Yes.

[Takashima] What does this mean for the improvement of Japanese-North Korean relations? Has the North Korean side changed its attitude?
[Tanabe] I think it is safe to say that North Korea has taken a big step forward. Heretofore, Japan and North Korea have been estranged from each other. They have rather been unfriendly to each other. Let us convert these Japanese-North Korean relations to friendly relations. To this end, three parties—the JSP, which has been friendly toward North Korea; the LDP, the government party in Japan; and the WPK—should join efforts and open the door to improved relations between Japan and North Korea.

[Takashima] On that open door, did the JSP make any new proposals this time?
[Tanabe] Of course, there are a number of unresolved pending issues. But those issues can be deferred. First, there should be a manifestation of the Japanese Government's desire to set out on the road of improved relations on the basis of a deep self-examination over the whole of the Korean peninsula, apologizing for its colonial rule and for having maintained relations with only the ROK since the war. Former Prime Minister Takeshita stated this in his Diet testimony last year. I met Prime Minister Kaifu on 2 July and reconfirmed this position with him. Prime Minister Kaifu takes the same position and wants to hold talks without any preconditions. So, I conveyed this to the North Korean side. This is a prerequisite, after all.

[Takashima] The release of the No. 18 Fujisan Maru crew is an issue of great concern to the Japanese side. With regard to this issue, the North Korean side reportedly indicated that the issue would be resolved in a humanitarian way. Would you tell me how specific the North Koreans were on this topic?
[Tanabe] Mr. Takashima, I have discussed this issue with the North Korean side whenever I have visited North Korea, asking the them to resolve the issue somehow. However, they have not shown any concrete response to my request, maintaining that the release of the crew is not an issue between the JSP and the WPK and that the issue should be resolved through governmental discussions. This time, however, the North

Korean side agreed to discuss the issue from a humanitarian standpoint in the course of discussing all issues pending between the two countries for the improvement of Japan-North Korea relations. The North Korean side also finally indicated that such discussions would lead to a resolution of the issue and that the two countries should hold discussions. Therefore, it is true that at long last, the North Korean side has come to feel that the solution of the No. 18 Fujisan Maru issue should be sought on humanitarian grounds.

[Takashima] Then do I infer that a bright prospect for the resolution of the issue has surfaced?
[Tanabe] Mr. Takashima, with regard to the solution of the No. 18 Fujusan Maru issue, the North Korean side has repeatedly stated that it would be difficult to resolve the issue whenever I have mentioned it. A JSP delegation to be led by me and an LDP delegation to be headed by former Deputy Prime Minister Kanemaru will visit North Korea in September. These delegations are expected to seek ways to improve relations between the two countries; I hope and intend to settle this issue in the course of these discussions.

[Takashima] Aside from Japan-North Korea relations, I do not know how far North Korea will go to embrace new trends at a time when the world situation is undergoing so many changes. What changes did you find in North Korea as a result of such upheaval in the world?
[Tanabe] The DPRK, which was founded on the basis of its own ideas, has thus far conducted its affairs independently; I do not want to speculate on that point. However, the North Koreans and I shared a common view that North Korea's present relations with Japan, North Korea's closest neighbor, are not acceptable for the two countries. In particular, the world is moving toward dialogue and the easing of tensions, and I believe that under these conditions, the Koreans and the Japanese hope for stability and peace on the Korean peninsula. I presume that the North Korean side is moving in that direction.

House Speaker Leads Delegation on Moscow Visit

OW2407044990 Tokyo KYODO in English 0331 GMT 24 Jul 90

[Text] Tokyo, July 24 KYODO—House of Representatives Speaker Yoshio Sakurauchi departed Tuesday for a four-day good will visit to Moscow as the head of a Japanese parliamentary mission.

While in Moscow, the Sakurauchi mission will meet Anatoliy Lukyanov, chairman of the Supreme Soviet, the Soviet legislature, and Aleksandr Yakovlev, a member of the Presidential Council and a confidant of Soviet President Mikhail Gorbachev. The mission also is to meet Foreign Minister Eduard Shevardnadze on Friday.

Japan's territorial dispute with the Soviet Union over a group of Soviet-held islands off Hokkaido, northern Japan, is expected to be high on the agenda in the mission's talks with Soviet leaders.

The mission consists of representatives of the Liberal Democratic Party, the Japan Socialist Party, Komeito, the Japan Communist Party and the Democratic Socialist Party.

Sakurauchi also will travel to Denmark and Britain before returning home on August 2.

Kaifu Briefed on Soviet Military Strength

OW2407153690 Tokyo KYODO in English 1435 GMT 24 Jul 90

[Text] Tokyo, July 24 KYODO—Vice Minister for Defense Tomoharu Yoda told Prime Minister Toshiki Kaifu Tuesday that the Soviet Union is modernizing its military forces while it is scrapping outmoded ships.

Yoda briefed Kaifu on Soviet military capabilities based on data obtained from the Military Balance of the London-based International Institute of Strategic Studies and Jane's Fighting Ships, officials said.

The Soviet Union has some 400 submarines, a decrease of some 30 submarines from last year that were more than 25 years old, Yoda was quoted as saying. But the number of Soviet submarines less than 25 years old is holding steady at around 200, while their gross tonnage is some 1.52 million tons, up 20,000 tons from the last year, he said. The number of Soviet naval vessels is pegged at some 270, down from around 330 counted last year. The ships that were taken out of service were 25 years old, Yoda added.

Miyazawa Leads LDP Group to PRC For Visit

OW2407054890 Tokyo KYODO in English 0159 GMT 24 Jul 90

[Text] Tokyo, July 24 KYODO—Former Finance Minister Kiichi Miyazawa left here for Beijing Tuesday to lead a group from his Liberal Democratic Party [LDP] faction on a six-day visit to China. Miyazawa is to meet Premier Li Peng and other Chinese leaders to discuss Japan-China relations, democratization in China, the Cambodian issue and other topics.

Japan has told China that Japan will lift a ban on a pledged 810 billion yen loan frozen since China's June 1989 military crackdown on pro-democracy demonstrators in Beijing's Tiananmen Square.

The Miyazawa delegation is scheduled to return home on July 29.

Urges Leaders To Democratize

OW2407202390 Tokyo KYODO in English 1459 GMT 24 Jul 90

[Text] Beijing, July 24 KYODO—Former Japanese Finance Minister Kiichi Miyazawa flew to Beijing from

Tokyo on Tuesday and save [as received] a speech in which he urged China's leaders to step up their efforts to democratize their country.

In the speech at a reception hosted by the China-Japan Friendship Association, Miyazawa said he feels that China needs to do much more in order to win the understanding and support of the international community. Miyazawa pointed out that China continues to be viewed negatively by the United States and European nations as a result of its military crackdown on the pro-democracy movement in Beijing in June last year.

Businessman Notes PRC Aid Could Curb Refugees

OW2507085890 Tokyo KYODO in English 0759 GMT 25 Jul 90

[Text] Tokyo, July 25 KYODO—One of Japan's top business executives said Wednesday Japan's economic aid to China should be reinstated in order to avoid a new flood of economic refugees. Speaking at the Foreign Correspondents' Club of Japan, Kazuo Haruna, chairman of Marubeni Corp., added that while "there may be differences here and there, it is a matter of great importance here in Japan to extend aid to our neighbor China."

Haruna's statement echoed the sentiment of former Finance Minister Kiichi Miyazawa, who is currently in Beijing to talk with China's leaders mainly about resumption of loans to China.

Haruna, who also serves as chairman of the Committee on Economic Cooperation of the Federation of Economic Organizations (Keidanren), reiterated the statement of United Nations High Commissioner for Refugees (UNHCR) Thorvald Stoltenberg. Haruna quoted the commissioner as saying relaxing tensions between East and West will lead to an increasing number of economic refugees fleeing from poverty or hunger. "What comes into our mind, the Japanese mind is our neighbor, China."

The Marubeni leader also stressed the importance of dialogue between donor and recipient nations, stating that "not enough results have been achieved."

Haruna said private sector interests, such as Marubeni, "are actively involved in technical cooperation as well as human resources and training." But, he added, not all of the work needs to be done only in developing nations. "Education about Official Development Assistance (ODA) must also raise the consciousness of the Japanese people as well."

In Haruna's opinion, the Japanese prime minister "should take over the leadership and the initiative of" the agencies that deal with Japan's overseas aid programs. The overlapping responsibility among government aid agencies in the current system, he said, is "one reason why our overseas cooperation has been criticized as faceless."

As chairman of the Keidanren committee, Haruna has been involved in the preparation of the ODA recommendations briefing that was presented to the Japanese Government in June. To bring all the aid groups under one roof was not mentioned specifically in the report, said Haruna, "because the bureaucratic system is too formidable and opposes any change to the present organization." Some critics of Japan's ODA system have said big business and industry would prevent the establishment of one uniform agency to oversee foreign aid.

In Tokyo, Chief Cabinet Secretary Misoji Sakamoto said Miyazawa's comments were based on "his personal speculation" and do not represent an official government stance. "The Government has not made a final decision" about implementing the loan package, Sakamoto told a regularly scheduled news conference.

Sakamoto admitted it would be difficult to prevent politicians traveling independently in China from preempting official announcements with unauthorized statements.

Miyazawa is the second senior LDP politician to make a pledge to China on resuming loans in two weeks. Both times the Government denied the comments reflected its official position. "We won't be able to stop this, but I will ask the Foreign Ministry to try to streamline traffic," he said, explaining that LDP delegations should follow the "rules."

It is customary for Foreign Ministry officials to brief politicians before overseas trips, and to dispatch an official as a member of the delegation.

PRC National Deportation Ruling Overturned

OW2007230290 Tokyo KYODO in English 1507 GMT 20 Jul 90

[Text] Fukuoka, July 20 KYODO—The Fukuoka High Court on Friday dismissed a lower court decision which suspended a deportation order by immigration authorities for a Chinese woman claiming to be a political refugee from last year's pro-democracy movement in Beijing.

High Court Judge Takeshi Nabeyama, in overturning a Fukuoka District Court ruling, said there was no evidence among papers submitted by immigration authorities to the court that suggested the woman has been carelessly denied an oral hearing by immigration officials as she contended earlier.

The woman, who arrived with 230 other Chinese boat people in Okinawa last September, won the deportation suspension, issued by the district court last month, when she insisted that her request for an oral hearing was denied by immigration authorities. With Friday's ruling, the woman, who is suspected of coming to Japan to look for work as an illegal immigrant, once again faces deportation although her lawyers will likely make an appeal to the Supreme Court.

BOJ Governor Concerned Over Price Trends

OW2007075790 Tokyo KYODO in English 0611 GMT 20 Jul 90

[Text] Tokyo, July 20 KYODO—Bank of Japan [BOJ] Governor Yasushi Mieno expressed concern Friday over both domestic and U.S. price trends, and reiterated the need to continue monitoring them closely.

Addressing an annual convention of the banking industry, Mieno said labor supply remains short of demand and the money supply continues to grow too fast.

The central bank reported earlier in the day that Japan's broadly defined money supply grew 12.6 percent in June over a year earlier for the seventh straight month of double-digit expansion.

"No optimism is warranted (on the price front)," Mieno said. "It is necessary to keep close watch on future price trends."

Mieno said U.S. economic growth has slowed but both inflation and wage hikes refuse to decelerate, adding that concern remains over future price prospects in that country. The swelling U.S. federal budget deficit is another source of concern, he said.

Mieno and other government finance officials urged commercial banks to be on guard against their growing exposure to credit risks stemming from financial market liberalization and off-the-balance-sheet deals such as options trading. The appeal was made by Finance Minister Ryutaro Hashimoto and later by Mieno at the banking convention.

Hashimoto renewed his pledge to complete liberalization of time deposit rates within three years. He called on private banks to improve their capital adequacy, tighten their grip on credit risk control, and ensure sound banking to cope with such liberalization. Mieno, echoing Hashimoto, also called for self-restraint on lending to finance real estate deals. He warned that such loans could seriously affect sound banking services once land prices moved erratically.

Both the central bank and the Finance Ministry have urged banks to curb real estate-related lending to arrest land price spirals and help control inflation. Prime Minister Toshiki Kaifu, who was also present at the gathering, made a similar request on real estate lending. He also urged banks to take advantage of progress in financial market liberalization to meet public needs while paying greater heed to sound banking.

Farm Trade Rules Based on Food Security Urged

OW2307170090 Tokyo KYODO in English 1604 GMT 23 Jul 90

[Text] Geneva, July 23 KYODO—A senior Japanese trade negotiator Monday defended Japan's ban on rice imports, saying that rules on world farm trade should be drafted in consideration of "food security." Addressing the General Agreement on Tariffs and Trade's Trade Negotiations Committee (TNC), Japanese Ambassador to GATT Minoru Endo pointed out that Japan's self-sufficiency in cereals is now 30 percent and stressed that "such reality must be given due consideration."

Though Endo did not use the word, he was apparently referring to rice, the staple food in Japan. The TNC brings together senior trade negotiators from 105 nations involved in the GATT-sponsored Uruguay Round of multilateral trade talks aimed at setting out rules on trade in agriculture and 14 other sectors.

Endo took a dim view of a proposal that nontariff barriers, including Japan's ban on rice imports, should be converted into tariffs as a means to reduce barriers to farm exports. "It is important to establish a fair and market-oriented trading system in the field of agriculture," Endo said, adding that it should "reflect the special nature of agriculture as well as different conditions which exist among countries."

The nontariff barriers-to-tariff conversion idea is contained in a draft treaty prepared by Aart De Zeeuw of the Netherlands who chairs a group of GATT negotiators hammering out rules aimed at liberalizing trade in agriculture products.

Turning to trade in services, Endo said Japan has not yet firmed its position on what categories should be covered under new rules governing trade in services. The remark apparently came as a negative response to a draft treaty prepared by services trade negotiating group Chairman Felipe Jaramillo of Columbia, which proposes all services sectors should be covered under such rules.

On this issue, the United States and the European Community have been pressing for across-the-board rules encompassing such areas as finance, transport, telecommunications and all other services areas. Japan, for its part, has been reluctant to include finance in areas subject to such rules.

In other remarks on the Uruguay Round, due for completion in December, Endo expressed hope that negotiations will end with the scrapping of existing measures that run counter to GATT rules. In this context, Endo said unilateral measures, imaginative use of GATT rules, bilateralism, reciprocity-based attitudes and regionalism must be rejected in mapping out new rules under the Uruguay Round.

The scheduled five-day TNC meeting is designed to create a framework within which the Uruguay Round can be brought to a successful conclusion.

Ozawa Notes Opposition to Rice Liberalization

OW2007140490 Tokyo KYODO in English 0331 GMT 20 Jul 90

[Text] Bonn, July 20 KYODO—Ichiro Ozawa, secretary general of the Liberal Democratic Party (LDP), Thursday expressed optimism that Japan can ride out the Uruguay round of multilateral trade talks without opening up the Japanese rice market.

"Our policy is to stick to rice self-sufficiency even under the current situation," Ozawa said while reiterating his party's position against liberalizing rice imports. He said Japan can get "understanding" at the trade talks for its stand.

Touching on the arguments for partially freeing domestic rice market by some LDP members and the opposition Komeito, Ozawa welcomed discussion, but stressed "it is the ruling party that decides the national policy."

Nippon Steel To Expand Into Computer Market

OW2407102690 Tokyo KYODO in English 0932 GMT 24 Jul 90

[Text] Tokyo, July 24 KYODO—Nippon Steel Corp. plans to expand into the personal computer market by offering laptop or notebook-size computers within a year, company officials said Tuesday.

The move comes as another step among major Japanese steelmakers toward diversifying their businesses, making Nippon Steel the first major Japanese steelmaker to advance into the fast-growing but highly competitive market.

The officials said Nippon Steel is now in the process of developing laptop and notebook-size personal computers, but said it has yet to come up with a final plan on which type of computer should be put on the market. One official indicated, however, it is likely that laptops will be the first products, pointing to the technical problems of scaling down the size of computers.

Nippon Steel has enjoyed healthy earnings from its electronics field since 1987 when it began offering computer software and marketing workstations. The company expects sales from personal computers to boost overall sales in its Computer Division to 270 billion yen in Fiscal 1993 from 79 billion yen in Fiscal 1989, the officials added.

BOJ Predicts Slower Money Supply Growth

OW2007110890 Tokyo KYODO in English 0953 GMT 20 Jul 90

[Text] Tokyo, July 20 KYODO—The Bank of Japan [BOJ] predicted Friday Japan's broadly defined money supply will grow at an average annual pace of 12 percent in the July-September quarter, slowing from the 13.0 percent rate in the preceding three months.

The preliminary prediction may give the inflation-wary central bank a temporary breather as Governor Yasushi Mieno has repeatedly voiced concern that a persistent high-paced growth rate of the money supply could fan inflation. But a central bank official, briefing reporters, reiterated the view that the projected pace of money supply growth is still "too high in consideration of Japan's real economic performance."

The official linked the slight slowdown in liquidity mainly to the diminishing impact of several extraordinary factors seen in the April-June period. Data for the three months through June somewhat exaggerated the real money supply conditions, the official said.

Masaaki Nakao, director of the bank's research and statistics department, said despite the estimated deceleration in July through September, he considers the pace of growth, even excluding temporary factors, still fairly high. Nakao predicted that upward pressure caused by a massive liquidation from redemptions of Japan's huge postal savings system would be minimal in the July-September quarter.

In recent months, redemptions from the postal savings, once the pool of a tremendous amount of funds not included in the broad supply measure, contributed to boosting the growth rate of money supply.

A usually high shift of non-money financial assets into small-lot money market certificates (MMCS) and large-denomination time deposits, both defined as quasi-money in the bank's tally, also is likely to become sluggish in the months ahead, Nakao told reporters.

But as factors offsetting those favorable elements, he referred to solid growth in Euroyen impact loans—foreign currency-denominated borrowings whose usage is not restricted. The steady inflow of money from such impact loans, he said, is estimated to undermine the favorable downtrend in banks' commercial lending. Dwindling loans extended by private banks to business sectors are likely to act as a downward pressure on the money growth, which is in line with guidances by the Finance Ministry and the central bank, the senior official said. Besides, waning enthusiasm for "zai-tech" speculation-oriented financial engineering is also expected to push down capital requirements from the money market, he said.

The central bank also reported earlier in the day that the broadly defined money supply expanded at an average 12.6 percent in June, down 0.6 percentage point from a 13-year high of 13.2 percent in both May and April. June was the seventh straight month of double-digit growth in the broad money supply, which consists of M2 (cash in circulation and time and demand deposits), plus certificates of deposit (CDS).

Mongolia

Prime Minister Gungaadorj Discusses Baker Visit

OW2507093990 Ulaanbaatar International Service in English 0910 GMT 25 Jul 90

[Text] Prime Minister Gungaadorj held a news conference dwelling on the election campaign and present economic matters. He said in particular that the forthcoming visit of the United States Secretary of State James Baker will constitute a new step in expanding Mongolian-U.S. relationship. He said that during the visit, talks will be held on trade and economic cooperation, a consular convention will be signed, as well as an agreement on the cooperation with the American Peace Corps.

Dwelling on economic matter, the prime minister said the main way for ensuring economic growth is market economy and new technology.

China Ready To Help Develop Communications

OW2407115290 Ulaanbaatar International Service in English 0910 GMT 23 Jul 90

[Text] Deputy Chairman of the Mongolian Council of Ministers Sharabsambuu has received a Chinese delegation led by Deputy Minister of Communications (?Zheng Guangdi). Mr. Sharabsambuu said at the meeting that Mongolia wishes to develop friendly ties between the departments of communications.

Head of the Chinese delegation said that China is ready to assist Mongolia in the development of the branch of communications.

Reportage on 22 Jul National Primary Elections

Ochirbat, Dzorig, Batbayar, Ganbold Win

OW2407125190

[Editorial Report] Ulaanbaatar International Service in English at 0910 GMT on 24 July carries a 21-minute regular feature program, "Society Magazine," which, among other things, contains the following material on primary elections held in Mongolia on 22 July. Poor reception precludes full processing of the program.

The program begins with a four-minute station commentary on the primary elections that were held throughout Mongolia. It points to the necessity of holding primary elections, stresses that these "elections are the first in Mongolia to be carried out on a multiparty basis" and adds that "according to preliminary returns, leader of the Mongolian People's Revolutionary Party Gombojabyn Ochirbat, leaders of the oppostion Democratic Association, Social Democratic Party, Party of National Progress, Dzorig, Batbayar, and Ganbold, were named among those who will run in July the 29th elections."

This is followed by a six-minute report by a correspondent reporting from various locations on election proceedings and interviews with various leaders on their views of the elections. It includes a 1-minute interview with Punsalmaagiyn Ochirbat, chairman of the Presidium of the People's Great Hural, who praises the "democratic" nature of elections. It also includes a brief interview with Deputy Prime Minister Sharabsambuu, who says after putting his ballot paper in the box: After the elections, the "new government will have to shoulder a great responsibility. I hope that everything will be done in [a] democratic way in accordance with the law."

The program also includes interviews with voters and some officials who give their impressions of elections.

Further on Primary Elections

OW2507111390 Ulaanbaatar International Service in English 0910 GMT 25 May 90

[Text] In general elections on July the 29th, 799 candidates will compete for 430 seats of the People's Great Hural, supreme body of state power in Mongolia. Such is the preliminary result of the primary election which took place in 238 out of 430 constituencies last Sunday.

According to prelimary returns, 92.4 percent of the electorate have voted leaving on the list 68 candidates of the opposition Democratic Party, 18 candidates of the Social Democratic Party, and 15 candidates from the Party of National Progress. The rest are members of the People's Revolutionary Party and nonparty people. The overwhelming majority of candidates are intellectuals, with only 18 workers and 51 herdsmen left.

640 MPRP Candidates for 29 Jul

OW2507105590 Ulaanbaatar International Service in English 0910 GMT 25 Jul 90

[Text] Leader of the ruling Mongolian People's Revolutionary Party [MPRP] Gombojabyn Ochirbat says no signs of a possible split are seen in his party. Addressing a press conference in Ulaanbaatar, he said 640 members of the Mongolian People's Revolutionary Party will run in general election this Sunday. In a half year's period, 5,000 people joined the Mongolian People's Revolutionary Party and 100 people quit of it, said Ochirbat.

Polls on Political Parties

OW2507104190 Ulaanbaatar International Service in English 0910 GMT 25 Jul 90

[Text] The weekly bulletin (CHUKREE) TIME of the MONGOLPRESS AGENCY has conducted a poll among 598 people to reveal the popularity rating of political parties. Forty-two point four percent of respondents have said the Mongolian Democratic Party is the party of the reforms against 21.6 percent which went to the ruling Mongolian People's Revolutionary Party [MPRP]. Fifty-eight point six percent of the people polled have said that the MPRP will gain the majority at general elections of July the 29th. Twenty-eight point two of respondents said it is the Mongolian Democratic Party that will win. Eight percent spoke for the Social Democrats, and six percent for the Party of National Progress.

Sixty-eight point two of respondents do not consider this year's elections as truly democratic. One hundred and fifty-six out 598 people see the present Chairman of the Presidium of the People's Great Hural of Mongolia Punsalmaagiyn Ochirbat as future president of Mongolia. Fifty-six people prefer Dzorig, leader of the Mongolian Democratic Association, while 51 people spoke for

Byambasuren. The majority of the polled people consider Dashiyn Byambasuren, first deputy prime minister, as the most suitable man for the post of prime minister.

According to another poll conducted by the Mongolian Revolutionary Youth Union, the opposition Mongolian Democratic Party enjoys support of 42 percent of 600 people polled, while the ruling Mongolian People's Revolutionary Party is supported by 38 percent of them. The present Chairman of the Presidium of the People's Great Hural Punsalmaagiyn Ochirbat is highly rated, followed by Byambasuren and Dzorig.

UNEN Interviews MPRP Department Head

OW2407133590 Ulaanbaatar International Service in English 0910 GMT 23 Jul 90

[Text] The daily UNEN publishes an interview with head of the Department of Socioeconomic Policy of the Mongolian People's Revolutionary Party [MPRP] Central Committee Mr. (Shadanjal) in which he notes that within the period after the April Extraordinary Congress of the Mongolian People's Revolutionary Party, the party took definite steps toward strengthening the social orientation of [words indistinct] and submitted a number of concrete measures in this regard to the government and discussed questions on implementation of it, said Mr. (Shadanjal).

North Korea

N-S Conflict Over Pan-National Rally Continues

Maneuvers Seen Against Rally

SK2507012890 Pyongyang Domestic Service in Korean 2300 GMT 24 Jul 90

[Statement by the North side's preparatory committee for the Pan-National Rally [taehoe] on 24 July—read by announcer]

[Text] The Pan-National Rally for peace in the fatherland and reunification, scheduled for 15 August in Panmunjom, with compatriots from all walks of life in the North and South and abroad participating, is just around the corner. At this time, divisionists are more gravely kicking up smear maneuvers.

Targeting the 15 August Pan-National Rally, on 20 July, the person in authority in South Korea designated five days from 13 to 17 August as the period of national exchange and proposed realizing mutual visits via Panmunjom. As has already been made clear in a statement by the Committee for the Peaceful Reunification of the Fatherland, in a word, he took this measure from the vicious purpose of frustrating the Panmunjom Pan-National Rally, which will be held with the broad participation of compatriots at home and abroad. This is openly shown by ominous moves the persons in authority in South Korea made after the special announcement had been released. The minister of the South Korean National Unification Board gave a news conference after the person in authority in South Korea had released his special announcement. During this news conference, he said if we accept their proposal, the issue of the National Democratic Alliance's [Chonminnyon] and other organizations' participation in the Pan-National Rally in the South side can be resolved and that, otherwise, the Chonminnyon and other organizations cannot be allowed to participate in the Pan-National Rally. A spokesman for Chongwadae said the same thing. Moreover, during the so-called joint news conference of the three ministers on 23 July, the minister of the National Unification Board babbled that the Chonminnyon will be allowed to participate in the Pan-National Rally only if all walks of life attend. All these facts are clear evidence that tells the real reason why the person in authority in South Korea released the special announcement.

If they released the plan for national exchange out of sincerity, why did they say that only when we accept their plan they will allow the Chonminnyon to participate in the Pan-National Rally, and that, otherwise, they cannot? We can in no way understand this. Such brigandish logic cannot convince anyone.

As for who can participate in the Pan-National Rally, the Chonminnyon, which proposed and will organize the rally; our North side; and the promotion headquarters of the Pan-National Rally have already decided on this matter after mutual consultations. Nevertheless, they vaguely said only when all walks of life are allowed to participate will the Chonminnyon be allowed to participate in the Pan-National Rally. This is nothing but a presumptuous interference. The Chonminnyon can participate in the Pan-National Rally if it wants. This is not a matter the authorities can interfere in to decide whether it can participate.

Moreover, what seriously worries people in general is the fact the persons in authority in South Korea pushed aside the Chonminnyon to hinder it from even receiving our side's letter. We tried to deliver a letter to the Chonminnyon on 24 July in Panmunjom in an effort to participate in the second preliminary contact for the Pan-National Rally on 26 July. However, even though they received two telephone messages, the South Korean authorities did not allow the representatives of the Chonminnyon to receive the letter, and, as a result, we could not deliver it. This is a very surprising situation. Because of this immoral act by the persons in authority in South Korea, we cannot but doubt whether they really meant it when they said they would allow the Chonminnyon to participate in the Pan-National Rally.

Branding the artificial obstacle of the South Korean person in authority an open challenge to the national aspiration for reunification, the North side's preparatory committee for the Pan-National Rally for peace in the fatherland and her reunification sternly denounces the

South Korean person in authority for laying this artificial obstacle to the sacred Pan-National Rally, which is yearned for by all the fellow countrymen, and for attempting to block Chonminnyon's participation in the rally by proposing the so- called exchange. This proposal is impracticable and was made when the preparatory work for the rally was near completion.

The South Korean persons in authority should not mock the people any more with the issue of exchange and visits. It will be a miscalculation if the South Korean authorities think they would be able to deceive opinion at home and abroad with tricks. If the South Korean persons in authority are truly interested in exchange and visits, they should not resort to cheap tricks but pull down the concrete wall and abolish all evil laws, including the National Security Law, as we proposed, and take steps to release the figures who visited the North, whom they arrested and imprisoned, including Rev. [Reverend] Mun Ik-hwan, Father Mun Kyu-hyon, and coed Yim Su-kyong.

Moreover, the South Korean authorities, if they truly want exchange, national reconciliation, and reunification, which they have frequently raved about, should give up the maneuvers for limiting dialogue to one channel, and should not block the 15 August Pan-National Rally, a historic meeting of the compatriots of all walks of life at home and abroad, but work to help with it. As an immediate task, the South Korean persons in authority should accept the North side's and overseas compatriots' delegates, who will participate in the second round of the preliminary contact for the Pan-National Rally in Seoul on 26 July, allow the Chonminnyon delegates to visit Pyongyang before 15 August, and should not block the way of the delegates of the Chonminnyon, Chondaehyop [National Council of University Student Representatives], other national and democratic organizations, and individual figures who are coming to Panmunjom to participate in the 15 August Pan-National Rally.

The South Korean authorities' attitude toward the Pan-National Rally will be a touchstone to determine whether they want reunification or seek division. Whether they allow the visit to the North by the South Korean people of reunification, who want to participate in the Pan-National Rally, including the Chonminnyon, will clearly show to the entire world whether they truly want visits between the North and the South.

The South Korean persons in authority should not mention exchange and reunification only by words but accept our practical proposal, thereby showing their will for reunification by real action. We, with the entire fellow countrymen, will watch the attitude of the South Korean authorities.

We will make every effort to make successful in every way the 15 August Pan-National Rally, which is to be held for the first time in 45 years of national division, so the rally may become a historic rally promoting national reconciliation and unity and significantly contributing to the cause of the reunification of the country.

[Dated] 24 July 1990, Pyongyang

Yun Requests Delegates' Safety

SK2507025790 Pyongyang Domestic Service in Korean 0130 GMT 25 Jul 90

[Text] Yun Ki-pok, chairman of the North side's preparatory committee for the Pan-National Rally [taehoe], sent a letter to the South Korean prime minister today.

At 1000 hours this morning at the conference room of the Neutral Nations Supervisory Commission in Panmunjom, our side's liaison officials delivered the letter to the South Korean side. The letter reads as follows:

To ROK [taehanminguk] Prime Minister Kang Yong-hun:

As has been reported, considering the official announcement by your side's authorities, we have decided to send five working-level delegates to the second preliminary meeting for the 15 August Pan- National Rally, which the National Democratic Alliance will hold in Seoul on 26 July. Our side's working-level delegates will go to Seoul and will finally conclude working-level matters on the convening of the Pan-National Rally based upon the discussion at the first preliminary meeting for the Pan-National Rally held in Berlin.

In view of the expectations for the 15 August Pan-National Rally by compatriots at home and abroad, and in view of the reality in which the issue of North-South contacts and travels is being crystallized, we think that your side will have no reason to block the Pan-National Rally. We also express our hope that your side will provide our side's working-level delegates with all the conveniences and personal security to ensure that they will successfully carry out their mission and safely return home.

[Signed] Yun Ki-pok, chairman of the North side's preparatory committee for the Pan-National Rally
[Dated] 24 July 1990

North Delegates to Rally

SK2507040990 Pyongyang KCNA in English 0402 GMT 25 Jul 90

[Text] Pyongyang July 24 (KCNA)—Five delegates will be sent to the second preliminary meeting for preparations for the Pan-National Rally slated for July 26 in Seoul, said Yun Ki-pok, chairman of the North side preparatory committee for the rally, in a letter dated July 23 to the "coalition for national democratic movement" (Chonminnyon).

Two officials of the North side preparatory committee were sent to the conference room of the Neutral Nations Supervisory Commission at three P.M. today to directly hand the letter to "Chonminnyon", but the South Korean side did not allow the representatives of "Chonminnyon" to come out to the conference room.

Under this circumstance, our side could not but send this letter over radio.

The letter reads:

Your organization has decided to hold the second preliminary meeting for the Pan-National Rally in Seoul on July 26 in accordance with the resolution of the first preliminary meeting held in Berlin some time ago. I welcome this decision, considering that it demonstrated once again at home and abroad its will to successfully hold the rally at any cost.

Preparations for the Pan-National Rally initiated by "Chonminnyon" two years ago are underway at the final stage amid positive response from all Koreans at home and abroad.

Although some forces who do not want the reunification of the country try to use the Pan-National Rally for the purposes of division and confrontation and block its successful convocation, they will not be able to dampen the nation's earnest desire for reunification and the will of the entire fellow countrymen to realise the rally on all accounts.

If the second preliminary meeting for the Pan-National Rally is held in Seoul on July 26 and working matters for the rally are finally confirmed there, the August 15 Pan-National Rally will, no doubt, be a grand festival of the nation which will reiterate the strong will of the fellow countrymen to achieve the reunification in the 1990s.

A successful convocation of the Pan-National Rally will be a great victory for "Chonminnyon" which initiated the rally and has made sincere efforts for its realisation, a signal event in the history of the reunification movement of our nation and a heavy blow at the forces who try to monopolise the debate on reunification and dialogue and seek division.

Informing you that our side will send five delegates to the second preliminary meeting for the Pan-National Rally which will demonstrate at home and abroad the unshakable determination of the nation to reunify the country on the three principles of independence, peaceful reunification and great national unity, I sincerely hope for success in our first meeting with "Chonminnyon."

Liaison Request Reiterated

SK2507042490 Pyongyang Domestic Service in Korean 0315 GMT 25 Jul 90

[Telephone message from Yun Ki-pok, chairman of the North Side's Preparatory Committee for the Pan-National Rally, to the National Democratic Alliance in Seoul on 25 July—read by announcer]

[Text] To the National Democratic Alliance:

As has been already reported, on 24 July, we sent two liaison officials to Panmunjom to convey to your organization a letter regarding the matter of our delegation's participation in the second round of the preliminary contact for the Pan-National Rally pursued by the Chonminnyon. Regretfully, however, due to the South Korean authorities' interference, your organization's liaison was unable to come to Panmunjom and we could not directly convey the letter to your organization but had to send it by air.

We already encountered the South Korean authorities's hindrance at the first step to the second round of the preliminary contact to be held prior to the Pan-National Rally. However, we will never give up our desire to join strength with your organization and successfully hold the Pan-National Rally in any possible way, a rally which would become a great national festival of reunification. We will never retreat in seeking to do this.

We already have overcome the repeated challenges and hindrance of the divisionist forces and have arranged the contact we are going to hold and come to look forward to success in the Pan-National Rally.

Accordingly, the North side's preparatory committee, which has done its best for the success of the Pan-National Rally, has decided to participate, come what may, in the second round of the preliminary contact, at which final confirmations would be made on all the matters which would be raised in connection with the convocation of the rally, and has decided to send its delegation.

The delegation of the North side's preparatory committee for the Pan-National Rally to participate in the second round of the preliminary contact will be composed of five delegates, and ten reporters will accompany the delegation.

The following is the list of the members of our delegation:

1. Chon Kum-chol, deputy chairman of the North side's preparatory committee for the Pan-National Rally
2. Son Chong-chol, member of the North side's preparatory committee for the Pan-National Rally
3. Cho Sang-ho, member of the North side's preparatory committee for the Pan-National Rally
4. Kim Tong-kuk, member of the North side's preparatory committee for the Pan-National Rally
5. Kang Chi-yong, member of the North side's preparatory committee for the Pan-National Rally and university student

Our side's delegation will go to Panmunjom at 0900 on the morning of 26 July to participate in the second round of the preliminary contact.

We cordially request that the delegates of your organization come to Panmunjom and receive our delegation with regard to its travel to Seoul.

The first meeting between us and the Chonminnyon will proudly show that nothing can thwart our nation's will for reunification and no force can block our nation's grand march to reunification.

Respectfully,
[Signed] Yun Ki-pok, chairman of the North side's preparatory committee for the Pan-National Rally.
[Dated] 25 July 1990

South Urged To Accept Proposal

SK2507051190 Pyongyang KCNA in English 0438 GMT 25 Jul 90

[Text] Pyongyang July 25 (KCNA)—The South Korean authorities must not talk about "exchange" and "unification", but manifest their will for reunification in practice by accepting the realistic proposal of the DPRK.

The North side's preparatory committee for Pan-National Rally said this in a statement Tuesday in connection with the fact that the scheme of the splittists is getting all the more unscrupulous with the approach of the date of the rally slated for August 15 in Panmunjom.

The South Korean chief executive in a "special announcement" July 20 set the five days from August 13 to 17 as a period of "inter-Korean exchanges of people" so that it may clash with August 15 Pan-National Rally, thus revealing his ulterior intention to frustrate the rally, the statement says, and continues:

A clear proof of this is the fact that after the "special announcement" by the South Korean chief executive the "minister of Unification Board" and spokesman for "Chongwadae" said that they would "allow" the participation of the "coalition for national democratic movement" (Chonminnyon) in the Pan-National Rally only on condition that we accept the "proposal for inter-Korean exchanges of people".

The participation of "Chonminnyon" in the rally is a matter to be decided by "Chonminnyon" itself and not an affair to be meddled in by the authorities.

The statement recalls that the South Korean authorities stopped "Chonminnyon" from receiving the letter sent by us on July 24 to participate in the second round of preliminary talks for the preparation of Pan-National Rally to be held in Seoul.

If the South Korean authorities are truly interested in exchange and travel, the statement notes, they must not resort to a flimsy trick but tear down the concrete wall, abolish all the evil laws including the "National Security Law" and take a step for releasing the arrested people who visited the North including Rev. [Reverend] Mun Ik-hwan, Father Mun Kyu-hyon and woman student Yim Su-kyong, as proposed by us.

They must also rid themselves of the framework of the "unified channel of dialogue", stop blocking August 15 Pan-National Rally, a historical gathering of compatriots from all walks of life at home and abroad, and do things helpful to it, says the statement.

It continues:

The South Korean authorities must allow delegates of compatriots in the North and overseas to participate in the second round of preliminary contact slated on July 26 in Seoul and delegates of "Chonminnyon" to visit Pyongyang before August 15 and must not bar delegates of "Chonminnyon", "Chondaehyop [National Council of University Student Representatives]" and other national and democratic organisations and individual figures from coming to Panmunjom to participate in the August 15 Pan-National Rally.

We will follow the attitude of the South Korean authorities together with all the fellow countrymen.

Further on Safety Request

SK2507053590 Pyongyang KCNA in English 0503 GMT 25 Jul 90

[Text] Pyongyang July 25 (KCNA)—Yun Ki-pok, chairman of the North side's preparatory committee for the Pan-National Rally, sent a letter to South Korean "Prime Minister" Kang Yong- hun.

The letter dated July 24 was conveyed to the South side at Panmunjom today.

It said:

As already reported, we, taking into account the official announcement of your side's authorities, decided to send five working delegates to the second preliminary contact to be sponsored by the Coalition for National Democratic Movement in Seoul on July 26 for the August 15 Pan-National Rally.

We will finalize the business-like matters concerning the convocation of the rally at the Seoul meeting on the basis of what were discussed at the first preliminary contact in Berlin.

Considering that your side has no reason to block the August 15 Pan-National Rally both in view of the expectation of the compatriots at home and abroad for the rally and of the reality in which the problem of contact and travel between the North and the South has been brought to maturity, we express the hope that your side will offer all convenience to the working delegates from our side to fully discharge their duty and safely return home and will guarantee their personal safety.

Participation Guarantee Urged

SK2507054590 Pyongyang KCNA in English 0512 GMT 25 Jul 90

[Text] Pyongyang July 25 (KCNA)—The Committee for the Promotion of the Pan-National Rally for the Peaceful Reunification of the Country under the "coalition for national democratic movement" (Chonminnyon) reportedly held a press conference on July 24 concerning the preliminary working-level talks for the Pan-National Rally.

At the press conference, the committee urged the authorities to guarantee the participation of the delegates from the North side as well as overseas organizations in the preliminary working-level talks for the Pan-National Rally slated for July 26.

In this, "Chonminnyon" expressed its unshakable position to realise the Pan-National Rally in accordance with the desire and will of the entire fellow countrymen in the North and the South.

Paper Decries 'Preconditions'

SK2507061390 Pyongyang KCNA in English 0514 GMT 25 Jul 90

["Poor Reply of Those Driven To the Wall"—KCNA headline]

[Text] Pyongyang July 25 (KCNA)—NODONG SINMUN July 25 denounces the "follow-up steps" to the "proposal for inter-Korean exchanges of people" brought forward by the South Korean authorities at the July 23 "joint press conference of ministers of Unification Board, justice and defence," branding them as a poor reply to our reasonable initiative.

The news analyst says:

If the South Korean authorities had been truly willing to have exchanges with the North, there would have been no need for them to attach pre-conditions to the participation of South Korean people in the Panmunjom Pan-National Rally and there would have been no reason for them to raise "North- South judicial authorities' talks" as a condition for the abolition of the "National Security Law" and the release of those who visited the North.

And they would have had no ground to insist that there is no concrete wall which, however, really exists and, furthermore, cry for "simultaneous investigation" into something in the North side's area.

The "follow-up steps" brought forward by the South Korean puppets all of a sudden showed once again their anti- national, anti-reunification position to cling to confrontation and division, leaving intact the physical, political and legal apparatuses blocking free travel and full-scale opening between the North and the South.

It was because of their deepening ruling crisis that the South Korean authorities came out with the "follow-up steps," following a deceptive "special announcement."

It is not without reason that public opinion at home and abroad predicts that No Tae-u might be unseated before the expiration of his term.

It is foolish to try to bridge over the ruling crisis with deception and intrigues.

No force on earth can block the march of the nation toward a reunified country.

North Details Rally Delegation

SK2507062590 Pyongyang KCNA in English 0539 GMT 25 Jul 90

[Text] Pyongyang July 25 (KCNA)—Yun Ki-pok, chairman of the North side's committee for the Pan-National Rally, in a telephone message to Chonminnyon [National Democratic Alliance of Korea] of South Korea today said that five-member delegation would be sent to the second round of the preliminary contact for the preparation of the Pan-National Rally to be opened in Seoul on July 26 and the delegation be accompanied by ten reporters.

Informing that our delegation will go to Panmunjom at 9 A.M. on July 26 to participate in the second round of the preliminary contact, the message proposed that delegates of Chonminnyon come out to Panmunjom to meet it.

Premier Asks Procedural Meeting

SK2507100090 Pyongyang Domestic Service in Korean 0939 GMT 25 Jul 90

[Telephone message from Yon Hyong-muk, premier of the DPRK Administration Council, to ROK Prime Minister Kang Yong-hun, dated 25 July—read by announcer]

[Text] To ROK [taehanminguk] Prime Minister Kang Yong-hun:

To discuss a working-level procedural question in connection with sending our side's delegation to Seoul to take part in the second preliminary contact for the Pan-National Rally, which will be held in Seoul on 26 July, I will send two liaison officials to the conference room of the Neutral Nations Supervisory Commission in Panmunjom at 0730, on the morning of 26 July.

[Signed] Yon Hyong-muk, premier of the DPRK Administration Council
[Dated] 25 July 1990

Safety for Reporters Requested

SK2507102590 Pyongyang KCNA in English 1016 GMT 25 Jul 90

[Text] Pyongyang July 25 (KCNA)—Yun Ki-pok, chairman of the North side's preparatory committee for the Pan-National Rally, in a telephone message to Kang Yong-hun, "prime minister" of South Korea today, hoped that since the South side has already agreed to receive five delegates of our side who would go to Seoul to participate in the second round of the preliminary contact for the preparation of the Pan-National Rally, it would guarantee the personal safety of ten reporters who will accompany them.

Radio Wraps Up 456th MAC Meeting in Panmunjom

SK2507053790 Pyongyang Domestic Service in Korean 0000 GMT 24 Jul 90

[Text] The 456th meeting of the Military Armistice Commission [MAC] was held in Panmunjom on 23 July at our side's request.

At the meeting, our side proposed taking urgent measures for North-South dialogue and the relaxation of tension, as a practical step to create favorable conditions for North-South dialogue and to ease tension on the Korean peninsula, and requested the U.S. side's response to our proposal.

Major General Choe Ui-ung, our side's senior member, first pointed out the purpose of the meeting and said: The move toward detente and negotiation is the trend of the world today. Easing tension and realizing peace and peaceful reunification on the Korean peninsula are urgent tasks that must not be delayed any longer.

Proceeding from such a realistic demand, some time ago our Republic's government put forward a five-point policy for the reunification of the fatherland and a new disarmament proposal. In addition, to promote dialogue and negotiations for reunification, we took the initiative to open our side's area in Panmunjom beginning 15 August.

This is another epoch-making proposal to ease tension on the Korean peninsula and achieve a decisive breakthrough for the reunification of the fatherland. In addition, this is the clear-cut expression of our earnest and sincere efforts to settle questions through dialogue and negotiations.

The U.S. side, however, has rejected our peace proposals and efforts. Furthermore, recently it has further reinforced its armed forces in South Korea and has frequently conducted war exercises, thereby making the situation more tense on the Korean peninsula. Such activities run counter to the tenor of the times for detente and dialogue. They also run counter to our intention and efforts for realizing disarmament and guaranteeing peace on the Korean peninsula.

In particular, today when the North-South dialogue, which had been suspended for a long time, is being held again and when the people at home and abroad, who desire reunification and peace, are unprecedentedly raising their voices, the reinforcement of armed forces and the continuation of war exercises are anachronistic acts.

All Korean people at home and abroad, full of bright hope for national reunification, sincerely want the North-South dialogue to be successfully held and to come to a good fruition.

Under these circumstances, both sides of the MAC should take positive measures which will be substantially helpful to easing tension, to the North-South dialogue, and to reunification.

This is absolutely reasonable both in view of the Armistice Agreement, which aims at peacefully settling the questions concerning Korea, and in view of the mission and duty of the MAC, which aims at easing tension, preventing the reoccurrence of a war, and contributing to dialogue and reunification.

Saying it cannot avoid denunciation from all Korean people and peace-loving people of the world if the MAC ignores detente, dialogue, and reunification, even today, the senior member of our side proposed the two sides of the MAC take the following steps for easing tension, for North-South dialogue, and for easing tension:

1. To successfully guarantee the Pan-National Rally [taehoe] and the dialogue for reunification, both sides should withdraw all weapons and armed personnel and should remove military facilities, including outposts, fortresses, and camps from the area of the MAC headquarters and from the Joint Security Area [JSA] in Panmunjom.
2. Both sides should guarantee conveniences in all activities of the North-South joint promotion committee for pulling down the barrier of division, which will be formed to remove the concrete wall—the symbol of division and confrontation—and the barbed wire in the Demilitarized Zone [DMZ] and surrounding areas.
3. Both sides should stop reinforcing armed forces and conducting large-scale military exercises which run counter to dialogue and reunification.

These were the proposals our side put forth.

Saying all these measures should be taken before 15 August, the senior member of our side specifically noted the (?spirit) and intention of our proposal as follows:

Today, in the MAC headquarters area and the JSA—venues of North- South dialogue and the Pan-National Rally—an area where there is the passage of travel to the other side in Panmunjom, there are presently outposts and military facilities, and there are military personnel on a round-the-clock combat posture, equipped with heavy, automatic weapons. In this area, the hostility between the soldiers of the two sides has not been reduced, and no one knows when grave clashes, such as the 18 August incident and 23 November firing incident, would occur again.

This is precisely why we propose to militarily guarantee holding dialogue in peace in the area by withdrawing heavy and automatic weapons, all other arms, and armed personnel, and by removing outposts, fortresses, and camps from the MAC headquarters area and the JSA in Panmunjom.

We also acknowledge that one of the most urgent and important issues in realizing the full-scale opening between the North and South is to remove the concrete wall and barbed wire which (?split) the country. Without removing the concrete wall and barbed wire, the opening and (?exchange) between the North and South cannot even be talked about. This is precisely why we have proposed the formation of the North-South joint committee to promote the removal of the barrier of the division, which is to remove the concrete and barbed wire from the DMZ and surrounding areas.

Under these circumstances, our side proposes that the two sides of the MAC positively guarantee all conveniences necessary for the activities of the North-South joint committee to promote the removal of the barrier of division, which is going to be formed.

The senior member of our side went on to add: Dialogue and war maneuvers cannot be compatible with one another. It is improper in the first place to reinforce armed forces and to stage large-scale war exercises when dialogue is being held to end confrontation, ease tension, and achieve the peaceful reunification of the country.

Smiling on stage and sharpening the sword behind it never can solve problems. It was precisely because of such military buildup and war exercises that the grave danger of war continues to prevail on the Korean peninsula and the North-South dialogues held in the past suffered the bitter (?trials) of suspension and stalemate without producing any result.

This was why we put forward the questions of banning the introduction of new-type weapons and operational equipment into Korea and discontinuing large-scale military exercises (?on the Korean peninsula) and its surrounding areas.

The senior member of our side (?urged) the U.S. side to affirmatively respond to our proposal in parallel with the tenor of the times for detente and negotiation and with the atmosphere in which North-South dialogue is progressing with a vigor never displayed before.

Nonetheless, the U.S. side's senior member, uttering that the matters, which had been raised, were something to be dealt with through North-South dialogue, tried to evade his responsibility.

The senior member of our side went on to say: The introduction of armed forces into Korea is banned by paragraph 13D of the Armistice Agreement, and its preamble envisages a complete cessation of hostilities in Korea. The matters regarding the DMZ are clearly defined in the (?Armistice Agreement) and, moreover, the matters regarding the MAC headquarters area and the JSA come under the direct jurisdiction of the MAC. Why, then, is the MAC unable to discuss the matters we have put forward?

Countercharging in this way, the senior member of our side condemned that the U.S. attitude is not for easing tension, developing (?trust), and not for supporting dialogue.

Noting that the U.S. side's attitude is a clear-cut reflection of the U.S. policy on Korea and is linked with the U.S. side's recent ominous military moves, the senior member of our side went on to add: The U.S. side recently has become more feverish than ever in beefing up its armed forces. Last 8 June, the U.S. side brought two F-16 up-to-date fighter-bombers equipped with ultramodern night navigation systems into Osan [Air] Base in South Korea for deployment, and it is scheming to continue the introduction of such fighters into South Korea.

The fact that South Korea has become the first overseas base where the fighter-bombers are deployed after their improvement shows the intensity of the effort which your side places on military buildup in South Korea.

This year, the United States has also brought 120 M-1 new-type tanks into South Korea and is currently scheming to bring in F-18 up-to-date fighters, AIM 7-M missiles, and ground-launched cruise missiles, and all kinds of up-to-date arms and equipment.

Meanwhile, the U.S. side is also frequently staging adventurous military exercises. On 10 July alone, by mobilizing in a row about 550 aircraft of all kinds, including F-16, F-4, F-5, and A-37 fighter-bombers, and many formations of assault aircraft, which were brought in from overseas bases, and including fighter-bombers of the South Korean puppet forces, the U.S. side, in the skies over Kongju, Oeyon Island, and Kunsan areas, staged the exercise of attacking ground objects postulating a surprise attack against our side.

Coinciding with this air assault exercise, the South Korean puppet forces brought a mass of infantrymen, tanks, and artillery pieces to the area close to the DMZ and became feverish in staging such assault exercises aimed at northward invasion as the river-crossing, guerrilla, combined field artillery, infiltration, and command-post mobile exercises.

The U.S. side is openly saying it would continue the "Team Spirit" joint military exercise next year as well.

Because of such military buildup and military exercises by the U.S. side, the situation is not developing along with the advancing North-South dialogue and tension is not being eased, but confrontation and the danger of war are further deepening. The U.S. side is totally responsible for the acute tension that persists on the Korean peninsula.

In addition, saying we cannot but regard it serious the enemies carry out military buildup and stage war commotions in South Korea when we have put forth a new disarmament proposal and the high-level North-South talks as well are in sight, the senior member of our side emphatically added that such maneuvers must be duly condemned as an anachronistic act which runs counter to the peace-seeking trend of the times, as an antidialogue and antireunification act which tramples the aspiration of the people at home and abroad, who desire progress in North-South dialogue and reunification, and as a crime which violates the requirements of the Armistice Agreement.

The senior member of our side said the U.S. side has refused to accept our proposal today and, thus, it has become impossible to fulfill our hope for the safe North-South dialogue and the 15 August Pan-National Rally. He stressed that the U.S. side is totally responsible for this.

The senior member of our side, in conclusion, said that our new proposal for North-South dialogue and for easing tension must be implemented expeditiously, and emphatically stressed that the attitude which the U.S. side will adopt will show whether it truly desires to ease tension on the Korean peninsula and desires dialogue for reunification.

Further Reaction to South's Exchanges Proposal

CPRF Spokesman's Statement

SK2407053090 Pyongyang KCNA in English 0453 GMT 24 Jul 90

[Text] Pyongyang July 24 (KCNA)—The spokesman for the Committee for the Peaceful Reunification of the Fatherland [CPRF] released a statement today denouncing South Korean authorities for bringing forward at a "joint press conference of three ministers" of Unification Board, justice and national defence Monday the socalled "follow-up steps" to the proposal of "inter-Korean exchanges of people" made public by them on July 20.

The statement reads in full:

The South Korean authorities called a "joint press conference of the three ministers of Unification Board, justice and national defence" Monday and came out with the socalled "follow-up steps" to the proposal of "inter- Korean exchanges of people" announced on July 20.

Judging from the account of the "press conference", it is, in fact, not "follow-up steps" but an incoherent reply to the statement of our Committee for the Peaceful Reunification of the Fatherland dated July 20.

The South Korean authorities were reported to have paid attention to a series of primary matters of principle put forward by our side at the "press conference, while putting aside their unrealistic proposal such as "proposal of intern-Korean exchanges of people" for the time being. We consider this a "step forward", but deeply regret at the total clumsy denial of our proposal with unreasonable pretexts and preconditions.

As regards the nationwide conference, above all, they openly revealed their intention to frustrate the convocation of the historical conference putting up unreasonable conditions, far from working for its realization.

The South Korean authorities claimed that the nationwide conference should be participated in not only by the "coalition for national democratic movement" (Chonminnyon) but by the people "from all walks of life" in South Korea. But they have insisted on the "unified channel of dialogue" and we cannot know how did they come to endorse the nationwide conference to be attended by people of all walks of life.

Does it mean that they have now given up the "unified channel of dialogue", the authorities' special invention?

As far as the nationwide conference is concerned, the South Korean chief executive is not entitled to say anything about it. It was aimed from the beginning to provide a place for national dialogue involving the people of various strata desirous of reunification and, in actuality, it has been prepared involving public figures of broad strata in the North and overseas, to say nothing of the "Chonminnyon", its sponsor.

As far as the matter of who is entitled to attend the conference is concerned, it is up to the sponsor to decide and the preliminary contacts had already examined the qualification of those supposed to attend the conference and confirmed the participants.

It is not difficult to guess what prompted those who are not the sponsor of the conference and have resorted to all sorts of darstard [as received] means to block it, regarding it as a thorn in the flesh, to argue all of a sudden about participation by "people of all walks of life".

Now that they find it difficult to openly obstruct the nationwide conference any longer they seek to plant ultra- right-wing anti-communist organisations and separatists among delegates to the conference under the veil of delegates from "all walks of life" and thus create complexity at the conference and bring itself to a rupture. Such attempt of the South Korean rulers is as foolish as bringing gangsters into other's feast and overturning its table.

What should not be overlooked in the South Korean authorities' assertion about the nationwide conference is the fact that they came out with the socalled "equity" as a condition and have negated the "special announcement" by No Tae-u.

In the July 20 "special announcement", they asserted that although the North side does not accept their proposal, they would unilaterally allow the "travel" through Panmunjom. However, the "minister of Unification Board" uttered that day that if the North failed to accept their proposal, they would not allow "Chonminnyon" to participate in the nationwide conference and clarified at the "press conference" that the "travel" of people to attend the conference would be possible only when the North agrees with their proposal according to "equity".

Through this they self-exposed the fact that the socalled "unilateral measure" brought forward by the South Korean person in authority is a lie and the "proposal of inter- Korean exchanges" is one aimed at obstructing the nationwide conference.

At the "press conference" the South Korean authorities took an attitude of totally turning down our suggestion regarding the abolition of the "National Security Law" and the release of those who visited the North, claiming that they are not obstacles to the North-South exchange.

We cannot but be disappointed at the incoherent utterances made by such fellow as "minister of justice".

How can the "minister of justice" who threw behind bars and tried and punished those who had visited the northern half of the country for national reunification, by invoking the "National Security Law" [NSL] dare to claim that the "NSL" is not an obstacle to exchange and travel between the North and South?

If the "NSL" is not an obstacle to exchange and travel in actuality, why did the "Ministry of Justice" itself announce that it would not punish those who violate the "NSL" in those five days of "inter-Korean exchange" and the "minister of justice" himself say that a debate on the revision of the "law" is under way at the "National Assembly" ?

No matter how hard the South Korean authorities may try to conceal the anti-reunification nature of the "NSL", they cannot deny the fact that the South Korean people are unanimous in saying that even if the "inter-Korean exchanges of people" is realised after the "special announcement", they cannot travel to the North afraid of the "NSL", though they want do so.

As for us, we do not have such a law as the "NSL" now in force in South Korea, the law that defines compatriots as enemy and incriminates any contact and exchange with fellow countrymen nor reunification and patriotic-minded people behind bars.

Hence, the South Korean authorities are well-advised to abolish by themselves the "NSL" of their own making and release of their own accord the detained visitors to the North.

It is not necessary at all to have talks between ministers of justice from the North and the South.

Talking about "talks" and the like, taking issue with us who have nothing to do is a trick to avoid its own responsibility.

It is all the more ridiculous for the "minister of national defence" to have denied the existence of the concrete wall this time, too, and claimed in a far-fetched manner that there is sort of a "wall" in the area of our side.

Whether the concrete wall exists in the area South of the military demarcation line or not admits of no debate today.

The existence of the concrete wall built by the South Korean authorities has already been universally verified and it has become a target of accusation and denunciation.

The South Korean authorities who categorically rejected a joint investigation when we proposed it, and did so even at a time when an international fact-finding team applied for entry into South Korea are now bringing forward the question of investigation. This cannot be construed otherwise than a burlesque.

They put up the preposterous precondition that a joint investigation should be made into our side's area under the pretext of the socalled "principle of equity". This is a height of impudence.

Where would they get the face to talk about "equity" and the like since the concrete wall exists only in South Korea?

Such far-fetched allegation of the South Korean authorities is, in fact, nothing but a trick to dodge the solution of the concrete wall problem.

In our area there is nothing to be investigated or verified.

The problem will be resolved if they demolish by themselves the concrete wall that actually exists in the area of the South side. There is no need to have any contact for a joint investigation.

The "joint press conference of three ministers" reiterated the stand of the South side to live as ever in a state of confrontation and division, leaving all things obstructive to free travel and complete opening between the North and the South intact, and betrayed their dark intention not to have even a small-scale exchange, to say nothing of a "grand inter-Korean exchanges" on the occasion of August 15.

The South Korean authorities who do not have true intention for exchanges and travel are now making a noisy advertisement about "grand exchanges", "participation by people of all segments" and the like as if they would do something. This is a clumsy stop-gap measure to cope with the serious political instability and crisis of their rule.

They try to exploit the North-South relations for the "security of power", mocking at South Korean people and deceiving world opinion with such a remedy. This is an unpardonable crime of making a mockery of the nation over the reunification question which is related to its existence.

The South Korean authorities put up unreasonable and foul conditions but we are ready to broad-mindedly consider the matters proposed by them in view of national reconciliation and unity.

Although they have all along obstructed the nationwide conference in every conceivable way, we will sit together with them, too, if they want to participate in it.

If they want to participate in it with honor, they should clearly express their stand of supporting the three principles of national reunification,—independence, peace and great national unity, against the division and for the reunification, as the qualification of participants was defined at the preliminary meeting of the conference.

In addition to this, if the South Korean authorities intend to sit together with figures of "Chonminnyon", "Chondaehyop" and other dissident organisations of South Korea at the nationwide conference, they must release all the leading figures and members of the above-mentioned organisations who had been arrested and thrown behind bars for calling for reunification.

As long as the South Korean authorities support the conference and intend to participate in it, they must refrain from obstructing it and actively cooperate in its preparations and ensure all matters concerning its holding.

As regards the concrete wall, we also make it clear that we are ready to discuss the proposal of the South Korean authorities together with them.

To this end, we hope that the South [illegible] will come out to the working contact slated for July 27 for North-South top- level conference in which the heads of authorities and the leaders of political parties will take part as we have already proposed.

The abolition of the "NSL" and the release of those who visited the North are a matter the solution of which which brooks no further delay today when there is an urgent need to put a period to the era of confrontation and usher in a new era of come-and-go and contact and unity as early as possible. The South Korean authorities must not use this as a bargaining chip but solve the problems by their own decision and, by doing so, manifest in deeds their true will for national unity and reunification.

The trend of history towards reunification can never be stemmed by a flimsy trick of the South Korean authorities.

The doors of free travel and complete opening will be flung open thanks to the efforts of the people aspiring after reunification in our country whether the South Korean authorities like it or not.

It is not our hope that the South Korean authorities are tossed by the strong current of the history of the nation, isolated from the public and dropped out.

The South Korean authorities must not play a trick over North-South relations and the reunification question from the stand of confrontation but adopt a national position and approach them with sincerity and place the desire of the 70 million fellow countrymen for reunification above their partisan interests.

Hanminjon on 'Propaganda' Tool

SK2507053190 Pyongyang KCNA in English 0446 GMT 25 Jul 90

[Text] Pyongyang July 25 (kcna)—The spokesman of the Central Committee of the South Korean National Democratic Front (Hanminjon) [SKNDF] in a statement July 22 branded the "special announcement of North-South relations" by No Tae-u as a propaganda campaign and an anti-reunification plot both aimed to frustrate the August 15 Panmunjom Pan-National Rally, appease public opinion at home and abroad and divert elsewhere the anger of the people from the political reaction of the "Democratic Liberal Party" and get over the present crisis, according to radio Voice of National Salvation.

As the abolition of the "National Security Law" and the release of the arrested reunification champions are not mentioned in the "special announcement" by No Tae-u, "the announcement for grand inter-Korean exchanges of people" is incredible, the statement says, and continues:

It is common sense and natural that the "special announcement" by No Tae-u can neither convince our people nor win the approval of the North.

The "DLP" dictatorship of No Tae-u is not entitled to talk about opening and free travel between the North and the South and it is incapable of discussing reunification. That is why the people cast a stronger doubt about the ulterior intention of No Tae-u after the "announcement of grand inter-Korean exchanges of people".

The No Tae-u group must not seek only the security of "power" with the divisive scheme while deceiving the people and public opinion with a despicable trick, but must immediately abolish the "National Security Law", the anti- reunification fascist law, and unconditionally and immediately release Rev. [Reverend] Mun Ik-hwan, Miss Yim Su-kyong and other reunification champions.

It must also unconditionally ensure the participation of "Chonminnyon [National Democratic Alliance of Korea]" and other dissident organisations and the people of all walks of life in August 15 Panmunjom Pan-National Rally.

And it must pull down the concrete wall, the symbol of confrontation and division, stretching 240 kilometres along the truce line dividing the territory into North and South.

From this position our Hanminjon expresses full support to the July 20 proposal of the North that the South side should tear down the concrete wall and the North side remove the barbed wire entanglements along the demarcation line and, a North-South committee to promote the demolition of the barriers of division, a joint organisation to this end, be formed.

It is none other than the United States that put the script of "special announcement of North-South relations", in the hands of No Tae-u who is attacked on all sides, the statement notes, adding:

The United States has put its nose into the internal affairs of South Korea each time a crucial phase was created in South Korea and blocked the road of democracy and reunification of our people and strengthened the fascist dictatorship.

The purpose sought by the United States, the mastermind of the divisive "July 7 Declaration", in making No Tae-u publish the "special announcement" is to bar the trend of the times towards reunification and save the split- seeking dictatorship and maintain the shaking colonial domination at any cost.

Our people will not be deceived again by the craftily camouflaged reunification offensive by the United States and the No group.

Our Hanminjon solemnly warns that if the United States and the No group block the road to reunification by employing the technique of political swindle, despite the denunciation of the entire nation, they will face a stern judgement by history.

N-S Contacts on High-Level Talks Continue

Positive ROK Response Urged

SK2507054190 Pyongyang KCNA in English 0506 GMT 25 Jul 90

[Text] Pyongyang July 25 (KCNA)—NODONG SINMUN today urges the South side to affirmatively respond to our proposal for the convocation of a conference without delay.

Recalling that the premier of the Administration Council of the DPRK on July 23 sent to the "president" of South Korea and "President of the Democratic Liberal Party" and the South Korean "prime minister" letters urging an early convocation of a North-South top-level conference in which the heads of authorities and leaders of political parties will take part, the news analyst says:

Our side's proposal is a realistic overture to create a phase favourable to national unity and the peaceful reunification of the country by opening at an early date a North-South top-level conference in which the heads of authorities and leaders of the political parties will participate and discussing and solving the problems of free travel and complete opening between the North and the South which are on the order of the day.

It is also a reasonable and active step to bring the joy of free travel and reunion by all means to our fellow countrymen who have been undergoing misfortunes and sufferings due to territorial division and national split for a long period of nearly half a century and accelerate historical reunification.

As the South Korean authorities showed a response to our proposal for free travel and complete opening, there is no ground to keep such barriers of division any longer as the concrete wall and the "National Security Law".

If they have the true intention to carry into practice free travel with the North, they must accede to our proposal for the convocation of a conference and discussion and package solution of free travel and complete opening and take appropriate steps to hold a working-level contact of representatives of authorities and all political parties in the North and the South for a success of the conference.

Yon Contacts ROK Counterpart

SK2507093290 Pyongyang Domestic Service in Korean 0800 GMT 25 JUL 90

[Telephone message from Yon Hyong-muk, premier of the DPRK Administration Council, to ROK Prime Minister Kang Yong-hun on 25 July—read by announcer]

[Text] To ROK [taehanminguk] Prime Minister Kang Yong-hun:

On 23 July, I had cordially proposed to you to hold a working- level contact in Panmunjom at 1000 on 27 July to prepare for a North-South top-level conference, in which the heads of the authorities and the leaders of the political parties would take part, so as to comprehensively negotiate the question of pulling down the concrete wall and the question of realizing free visits and full-scale opening between the North and the South.

A North-South top-level conference, in which the heads of the authorities and the leaders of the political parties would take part, would allow for a comprehensive negotiation of the question of pulling down the concrete wall and the question of realizing free visits and full-scale opening between the North and the South. In addition, the conference would be able to widely negotiate all questions arising in the North-South relations, including the question of a joint investigation of the existence of the concrete wall, which your side proposed.

We are convinced that such a conference would be an authoritative venue for negotiation that would fully reflect the opinions of people from all walks of life of the North and the South and that could practically settle all questions that the entire nation wants settled.

Therefore, if a working-level contact is held to prepare for such a conference, we think it is unnecessary to separately hold various working-level contacts, as your side has requested. As we had already proposed, we hope that your side will send four delegates to a working-level contact to be held on 27 July.

I hope your side responds positively to this.

[Signed] Yon Hyong-muk, premier of the DPRK Administration Council
[Dated] 25 July 1990

Premier Reiterates Proposal

SK2507102390 Pyongyang KCNA in English 1012 GMT 25 Jul 90

[Text] Pyongyang July 25 (KCNA)—Yon Hyong-muk, premier of the Administration Council of the Democratic People's Republic of Korea, sent a telephone message today to his South Korean counterpart, Kang Yong-hun.

The message reads:

I, on July 23, courteously proposed to you to have a working-level contact at Panmunjom at 10 A.M. on July 27 for the convocation of a North-South top-level conference in which the heads of authorities and the leaders of political parties will take part for a package debate on the dismantlement of the concrete wall and on free travel and complete opening between the North and the South.

The conference will be able to have wide-range discussions of the problems of the removal of the concrete wall and free travel and complete opening between the North and the South as well as all the problems arising in the North-South relations including the issue of "joint on-site inspection" of the concrete wall proposed by your side.

We are convinced that such conference will be an authoritative negotiation which can fully reflect the will of the people from all walks of life in the North and the South and practically solve everything in conformity with the requirements of the whole nation.

Considering that if the working-level contact for the convocation of the conference is held, there is no need to have multi-channelled working-level contacts proposed by your side, I hope that, as already proposed, your side will send four delegates to the working-level contact on July 27.

KCNA Reports on 'Wildcat War Exercises'

SK2507062390 Pyongyang KCNA in English 0535 GMT 25 July 90

[Text] Pyongyang July 25 (KCNA)—The U.S. imperialist aggressors brought several formations of "FA-18" pursuit-assault planes to the sky above South Korea from Iwakuni Base of Japan from 11:00 to 19:00 on July 20 to stage once again aerial war exercises simulating a preemptive strike at the targets in the strategic depth of the northern half of Korea in coordination with formations of fighter bombers and reconnaissance planes of the U.S. Seventh Airforce and the puppet Air Force, according to military sources.

The planes involved numbered some one hundred.

The U.S. imperialists deployed fighter bombers, pursuit-assault planes, assault planes, mid-air refuelling tanks, reconnaissance planes, anti-submarine patrol planes in the air bases of the U.S. imperialists occupying South Korea from their overseas bases in the Pacific region from July 20 to 22.

In this period they brought formations of fighter bombers to the sky above South Korea from Kadena base in Okinawa and frantically staged aerial shooting, bomb-dropping and surprise strike exercises with the support of formations of fighter bombers and airborne warning and control planes of the U.S. Seventh Airforce and the puppet Air Force. Some 800 planes were mobilised in this manoeuvre.

On July 20 they brought formations of "C-141" transport planes carrying a huge amount of combat equipment to Osan Air Base from Yokoda Base of Japan.

The wildcat war exercises of the U.S. imperialists and the South Korean puppets clearly show how desperately they are trying to deliberately aggravate the situation on the Korean peninsula while seeking only confrontation and division going against the trend of the times toward detente and dialogue.

Daily Decries U.S. Defense Secretary's Remarks

SK2507062790 Pyongyang KCNA in English 0541 GMT 25 Jul 90

[Text] Pyongyang July 25 (KCNA)—U.S. Defense Secretary Cheney recently told a suprapartisan group of Japanese politicians that the United States could not plan to pull its forces out of the Korean peninsula and Asia and there was no justifiable reason to do so.

NODONG SINMUN today denounces Cheney's outburst as a vicious challenge to the international community demanding detente and peace in Asia and the Korean peninsula and a criminal act going against the trend of the times toward disarmament and detente.

The news analyst says:

as for the lack of the process of detente in Asia and the instability on the Korean peninsula, they are entirely ascribable to the United States.

Having deployed ever larger numbers of aggression forces in the forward areas of this region, the U.S. imperialists intend to contain the socialist countries and the anti-imperialist independent forces in Asia and bring Asia under their domination with military superiority.

They regard the Korean peninsula, a military strategic vantage point, as a key operational zone.

Having turned South Korea into their colony, military base and anti-communist stronghold, they scheme to unleash a war against our Republic with it as the springboard and spread its flames all over Asia.

If the United States truly wants disarmament and detente in the Korean peninsula and the rest of Asia, it must withdraw its forces and nuclear weapons without delay.

Power Industry Said Meeting Electricity Demands

SK2507041590 Pyongyang KCNA in English 0409 GMT 25 Jul 90

[Text] Pyongyang July 24 (KCNA)—The output of electricity is on the increase in Korea.

According to Kim Yong-tal, director of the General Production Department of the Commission of Electric Power Industry, the output of electricity increased by 12.5 percent in the first half of this year compared with the like period last year.

The power stations across the country attained a gain of nine percent in their output of electricity as of July 18 over that in the same period last year.

The Hochongang Power Station is carrying out its daily quota at 110-120 percent by introducing rational methods of production.

The Changjingang Power Station is producing some one million more kwh of electricity than its daily plan by making more efficient use of water.

The Changjagang Power Station is carrying out its daily assignments at 115 percent by keeping generating equipment in full capacity, while guaranteeing a high water level.

The Kanggye Youth Power Station, the March 17 Power Station, the Taedonggang Power Complex and other hydraulic power stations throughout the country are producing more electricity than their plans by raising the efficiency of water turbines.

Signal successes have been also reported from thermal power plants in different parts of the country.

The Pyongyang Thermal Power Complex and the Chongchongang Thermal Power Plant have lifted their output by increasing combustion rates.

The Sunchon Thermal Power Plant is carrying out its daily quota at more than 110 percent.

Minor power stations across the country are also boosting their production.

The electric power industry of Korea which develops in reliance upon rich domestic hydraulic and fuel resources is properly meeting the growing demands of the national economy for electric power.

South Korea

Chonminnyon Invites North Delegates to Meeting

Government Agrees on Delegates

SK2407140790 Seoul Television Service in Korean 1200 GMT 24 Jul 90

[Text] The government and the National Alliance of Democratic Movements [Chonminnyon] have reached an agreement on the scope of participation in the so-called Pan-National meeting to be held in the North side's area at Panmunjom on 15 August. Accordingly, the possibility of participation by representatives from all social strata has become high.

Today, six people, including the cochairman of Chonminnyon, visited the National Unification Board and discussed with the relevant officials the preliminary talks for the Pan-National meeting.

Reporter Ko Tae-yong reports.

[Begin Ko recording] In today's meeting, the government and Chonminnyon agreed that the 15 August Pan-National meeting should be a genuine meeting in which not only certain groups or certain figures but also members representing all social strata will broadly participate. The meeting should promote trust and understanding between the North and the South and contribute to improved North-South relations and to national reunification.

According to this, the government confirmed its position that it will not only allow the participation of the delegates of North Korea and overseas Koreans in the second round of preliminary talks for the Pan-National meeting, which is scheduled to be held in Seoul on 26 July, but also will ensure their personal safety and offer conveniences.

Thus, the government decided to convey the letter of invitation extended by Chonminnyon to the North Korean delegation for the second round of preliminary talks, to the North Korean side through Panmunjom.

After today's meeting, Kim Ui-taek, a spokesman for Chonminnyon's committee for the promotion of the Pan-National meeting, said that Chonminnyon's position is that the participants in the Pan-National meeting should be autonomously chosen from compatriots in the North and the South of Korea and abroad and that neither side should make an issue of the qualifications of the delegates. He added that Chonminnyon will open its door to anyone observing the spirit of the 4 July joint statement and pursuing reunification.

However, the North Korean side refused to convey its request of working-level talks, which it wanted to send to Chonminnyon this afternoon through Panmunjom, to our relevant Red Cross officials on the pretext that they had failed to bring the letter of credentials of Chonminnyon. Then, the North Korean side, through its central broadcasting and Pyongyang broadcasting, unilaterally made public the namelist of the five delegates to the preliminary contact. Accordingly, it is not clear at present whether the North Korean delegates will attend the second round of preliminary talks. [End recording]

Government Ready for Delegates

SK2507033790 Seoul Domestic Service in Korean 0300 GMT 25 Jul 90

[Text] Now that North Korea has informed the South side that it will send five delegates to the second round of the preliminary meeting for a Pan-National Rally [taehoe] to be held tomorrow in Seoul, the government decided to issue certificates of visitation to South Korea to these North Korean delegates. The five North Korean delegates who will come to Seoul are Chon Kum-chol, vice chairman of the Committee for the Peaceful Reunification of the Fatherland; Son Chong-chol, Cho Sang-ho, and Kim Tong-kuk, members of the preparatory committee for Pan-National Rally; and Kang Ki-yong, college student.

The government will provide the National Democratic Alliance of Korea and other organizations promoting the preliminary meeting all conveniences, including lodging and boarding, transportation, communications, and medical services, if requested by them.

The North Korean delegates will arrive in Seoul through Panmunjom at approximately 0900 [0000 GMT] tomorrow morning, and three overseas compatriots will arrive in Seoul by airplane tomorrow morning. The preliminary meeting will start at approximately 1500 [0600 GMT] tomorrow. The participants at the preliminary meeting tomorrow will reportedly discuss the agenda items to be discussed at the Pan-National Rally on 15 August and the steering procedures of the rally.

Chonminnyon Announces Schedule

SK2507043390 Seoul Domestic Service in Korean 0300 25 Jul 90

[Text] The Committee for the Promotion of the Pan-National Rally [taehoe] consisting of representatives of eight organizations, including the National Democratic Alliance of Korea [Chonminnyon] and the National Council of University Student Representatives [Chondaehyop], announced that it will hold the preliminary working talks for the Pan-National Rally at the Christian Academy House in Suyu-ri, Seoul, at 1500 [0600 GMT] on 26 July with the participation of North Korean delegates and delegates of overseas compatriots.

(Kim Ik-taek), spokesman for the promotion committee, today said that a decision was made to hold the preliminary working talks tomorrow afternoon, since it will take the North Korean delegates considerable time to come to Seoul through Panmunjom. Spokesman (Kim Ik-taek) said that the preliminary working talks tomorrow will discuss the objective, agenda, schedule of events, venue, and content of events.

Spokesman (Kim Ik-taek) said that although it is desirable that the venue for the rally should be Panmunjom, since the South Korean Government has changed its policy to allow the rally to be held, Chonminnyon is considering holding the Pan-National Rally in Seoul or Pyongyang as well. As for the qualifications of participants, he said that Chonminnyon is considering allowing even rightist organizations to participate in it so long as they support the spirit of the 4 July North-South Joint Statement and the fundamental objective of the Pan-National Rally.

Delegates of 58 social organizations, including the Council for National Reunification [Minjok Tongil Hyobuihoe], the Committee for the Promotion of Reunion of 10 Million Displaced Families, and the Korean Women's Union, resolved to participate in the Pan-National Rally to be held next month. The delegates of these 58 social organizations had a breakfast meeting at the Tower Hotel in Seoul this morning and made this decision, saying that they support President No's special announcement on the great national exchange and the contents of the press conference of the unification minister allowing the Pan-National Rally to be held.

The delegates of the 58 organizations asserted that all the organizations and individuals should be allowed to participate in the Pan-National Rally because it should be a place for praying for national reunification and for the restoration of the homogenuity of the nation. They also asserted that the Pan-National Rally should not be biased in favor of any political views or in the interest of any particular region and that the authorities of neither North Korea nor South Korea should attempt to use this rally for any particular political purpose.

These delegates elected Han Yang-su, secretary general of the Council for National Reunification, and Yi Chae-won, vice chairman of the Committee for the Promotion of the Reunion of Displaced Families, and four others as working members of the promotional work, and said that they will discuss the matter of participating in the preliminary working meeting scheduled for tomorrow.

South, North Differ on Plans

SK2507074290 Seoul YONHAP in English 0658 GMT 25 Jul 90

[By Hong Sang-pyo]

[Text] Seoul, July 25 (OANA-YONHAP)—Five North Koreans are due in Seoul on Thursday for two days of talks with South Korean dissidents on an unprecedented joint rally in the heavily guarded truce village of Panmunjom.

There are some differences between the two sides on who should participate in the Aug. 15 rally, a spokesman for the South Korean organizers, the National Alliance of Democratic Movements, said Wednesday.

The North has informed the South it will send a five-member delegation to Seoul via Panmunjom for the meeting at Christian Academy House in northeastern Seoul to discuss arrangements for the pan-national congress in the border village.

Yun Ki-pok, president of the North Korean organizing committee, sent a telephone message to Prime Minister Kang Yong-hun Wednesday asking for a guarantee of the safety of the delegates, headed by Chon Kum-chol, vice president of the organizing committee and vice chairman of the Committee for Peaceful Reunification of the Fatherland, and requesting that everything be done for their convenience, a government official said.

Yun said the delegation will cross the Military Demarcation Line in the border village at 10 A.M. accompanied by 10 North Korean reporters, and said he hoped the South Korean organizers would meet them at Panmunjom, the official said.

The official said the government will guarantee their safety and provide all manner of convenience, including accommodation, transportation, communications and medical services.

The meeting will also be attended by three pro-Pyongyang overseas Koreans who are to arrive in Seoul in the morning.

The National Alliance of Democratic Movements, or Chonminnyon, is South Korea's largest dissident organization and a vocal champion of people-to-people contacts with the North. It is one of a select few sympathetic groups the North invited to the rally on its side of the border in Panmunjom.

The South Korean Government, which made a dramatic departure from its hard stand against the North-sponsored congress with President No Tae-u's proposal

July 20 of free cross-border travel, has promised its full support for the talks in Seoul.

A Chonminnyon spokesman said the group wants South Koreans to give warm welcome to the North Koreans, the first visitors since members of separated families in the North visited Seoul for a reunion in December 1985.

It will be the first time private citizens in South Korea have held a meeting with North Korean officials on reunification.

The meeting is a sharp contrast to North Korea's rejection of No's proposal of free travel for five days around Aug. 15, the 45th anniversary of the Korean independence from Japanese colonial rule. The North set conditions for free travel—abolition of the National Security Law and dismantling of an alleged concrete wall, which the South said does not exist though there are anti-tank traps to block North Korean invasion routes.

The Chonminnyon spokesman said the meeting, to start at noon, will cover the purpose, agenda, timetable, venue and events of the congress, adding that he is optimistic of full agreement because the two sides show little difference.

A point of likely friction is participation, as North Korea has hinted it opposes attendance by South Koreans other than members of Chonminnyon and Chondaehyop (the National Council of Student Representatives), the nation's largest organization of radical students, which originally pushed for the congress in collaboration with North Korea.

A statement issued by the Northern organizing committee Tuesday said it was "impertinent interference for the South Korean Government to try to have various groups participate in the congress at the time when the participants had already been decided by the North, the host, and Chonminnyon, the promoter, and representatives of overseas Koreans."

But the Chonminnyon spokesman said, "we believe it is undesirable to restrict the eligibility to a few people."

He said Chonminnyon had no intention of excluding any individual or group, even if they are rightist, that shares the wish for reunification based on the principles of unification proclaimed in the joint South-North communique of July 4, 1972—self-reliance, peace and national unity.

He said the government may also attend the rally as a member of the nation and details will be discussed on Thursday.

The remarks are a rare compromise between the dissident group, which the government refuses to recognise and last year outlawed, and the government on the issue of who can attend the congress, making it uncertain if South and North can agree on the question.

The government said it will support the rally only if it is open to every South Korean.

Meanwhile, 58 South Korean social organizations said in a joint statement Wednesday they want to attend the rally and formed a six-member preparatory committee to push for participation.

They include the Committee for Promoting Reunion of the 10 Million Dispersed Family Members, the Council of National Unification, the Korean Women's League and the Korea Freedom League, all conservative social organizations.

The North held talks with the overseas Koreans in early June in West Berlin to arrange the rally.

North Delegates Profiled

SK2507081390 Seoul YONHAP in English 0742 GMT 25 Jul 90

[Text] Seoul, July 25 (YONHAP)—The five North Koreans due to visit Seoul on Thursday for talks with South Korean dissidents will be led by Chon Kum-chol, 66.

Chon is vice chairman of the preparatory committee for the Aug. 15 "pan-national" rally in Panmunjom that is the object of the talks and is believed to be a top strategist on inter-Korean dialogue. He is also chief delegate to the inter-Korean parliamentary talks.

A native of North Hamgyong Province, Chon dropped out of middle school to work in a mine, according to information made available here. He entered Kim Il-song University in 1947, where he studied philosophy, and served in the Korean war (1950-53) as a first lieutenant engaged in propaganda work.

He made his first appearance in inter-Korean contacts in November 1972 as a spokesman for the South-North Red Cross talks. His career before then is veiled in mystery.

While South Korea sends different delegates to different talks, Chon has represented North Korea in various contacts and holds diverse powerful posts at home.

In 1973, he attended two rounds of meetings of the South-North coordination committee. In June 1981, he was appointed vice chairman of the Committee for Peaceful Reunification of Fatherland.

In 1982, he was elected to the Supreme People's Assembly. In July 1985, he became chief delegate to the preparatory contacts for inter-Korean parliamentary talks.

Chon is one of the three key figures representing North Korea in its contacts with the South. The others are Ho Tam and Yun Ki-pok.

A man of few words, Chon does not enjoy company. He does not smoke or drink but likes noodles and table tennis. He has a wife, two sons and one daughter.

Kim Chang-sun, director of the private Seoul-based North Korean Studies Institute, said Chon is loyal to Kim Il-song's eldest son, Kim Chong-il.

"Chon began to emerge as an important figure as Kim Chong-il surfaced as heir-apparent," Kim said.

Another of the five delegates is Son Chong-chol, a member of the rally preparatory committee and an economist. He is deputy director of the Institute for Trade and Economy and was a delegate to the South-North economic talks.

Kim Tong-kuk is president and chief editor of Kumsong Youth's Publishing Co. He graduated from Kim Il-song University in 1950 and pursued a career in the print media. In October 1957, he became editor of the government office organ "WORKING YOUTH (NODONG CHONGNYON)" and in January 1965 became chief editorial writer. He has been president of Kumsong since December 1979.

Having a good command of several foreign languages and refined manners, he has represented North Korea abroad on various occasions and attended ceremonies marking the independence of Tanzania in November 1971. He has traveled to Syria, Japan, China, the Soviet Union, Romania, Greece and Cyprus.

Information on the two other delegates, Cho Sang-ho and Kang Chi-yong, is unavailable. Kang is thought to be a student.

Group To Host Delegates

SK2507114690 Seoul Domestic Service in Korean 1100 GMT 25 Jul 90

[Text] The government finally decided to allow the North side's five delegates and 10 reporters to participate in the second preliminary talks, which will be held tomorrow, for the Pan-National rally.

In addition, the government decided to allow our side's provisional headquarters for the promotion of the Pan-National rally to send its three members to Panmunjom to receive the North side's delegates. Accordingly, the government notified the three receiving members of the provisional headquarters that they should come to Imjingak by 0800 in the morning on 26 July.

And, because Prime Minister Kang Yong-hun accepted the North Korean authorities' request that our side provide the North side's delegates with personal security and conveniences, the government decided to ensure that they will be provided with all accomodations—including living quarters, vehicles, and conference rooms—during their stay in Seoul.

It was revealed that the government officials will directly issue indentification cards to the North side's delegates at Panmunjom.

Schedule Finalized

SK2507123290 Seoul YONHAP in English 1218 GMT 25 Jul 90

[Text] Seoul, July 25 (YONHAP)—Organizers of the "pan-national" rally called to promote reunification of the Korean peninsula were officially informed Wednesday that the North Korean delegates to the second session of the preliminary talks for the rally are to arrive at the truce village of Panmunjom at 9 A.M. Thursday.

Upon receiving the message, the organizing committee for the rally finalized detailed program of the two-round preparatory meeting which is to be held at the Christian Academy House in Northern Seoul.

The timetable sets the first round of the second session at 3 P.M. Thursday and the second round at 9 A.M. Friday, respectively. The session will close at 2 P.M. Friday. A joint statement will be issued at 1 P.M. Friday, or an hour before the official closure.

The North Korean delegates will be received by three members of the Seoul-side organizing committee, including committee Chairman Yi Hae-hak, upon their arrival at Panmunjom. The North Koreans, who will be the first North Koreans to come to the South in five years, will be escorted to the Christian Academy House by cars offered by the Seoul-side organizing committee.

The North Koreans will attend a joint press conference along with representatives from overseas Korean communities and Seoul-side delegates after their lunch Thursday.

Officials To Discuss Procedures

SK2507130490 Seoul YONHAP in English 1240 GMT 25 Jul 90

[Text] Seoul, July 25 (OANA-YONHAP)—South Korea Wednesday proposed to North Korea that government officials of South and North Korea meet at the truce town of Panmunjom Thursday morning to discuss practical matters concerning the scheduled visit to Seoul by some North Korean organizers of the "pan-national" rally.

Five North Korean delegates and 10 accompanying reporters are due to arrive in Seoul around noon Thursday through Panmunjom to attend the talks to begin at the Christian Academy House in northeastern Seoul later in the day.

In a telephone message to North Korean premier Yon Hyong-muk, South Korean Prime Minister Kang Yong-hun said that his government will send two liaison officials to the Neutral Nations Supervisory Commission (NNSC) Conference Room at the border village at 7:30 Thursday morning and asked the North to send officials at the designated time.

The North Koreans are scheduled to pass the Military Demarcation Line at 9 A.M.

Kang asked the North to deliver a list of delegates and reporters along with their photographs to the South Korean Liaison officials. He reiterated that the South Korean Government will guarantee the safety of the North Korean visitors and their safe return. He also said that the North Koreans will be given every convenience needed, such as transportation and accommodation.

Kang stressed that the pan-national rally should be participated by representatives of all walks of social life in both of the two divided halves of Korea.

Kang stressed in the message that the Pan-National Rally should also be pursued in a way that does not stimulate mutual slandering but contributes to the promotion of mutual confidence and understanding.

He also called on the North Korean Government to accept the South's proposal for a working-level contact to discuss practical procedures for free cross-border travels between South and North Korea. Seoul earlier proposed the working-level meeting be held on July 30 at Panmunjom.

Meanwhile, Yun Ki-pok, chairman of the northern side's organizing committee for the rally, sent a letter to Kang earlier Wednesday asking Seoul to guarantee the North Koreans' safety during their visit to Seoul.

No Predicts 'Epochal Momentum' for Reunification

SK2507033390 Seoul YONHAP in English 0253 GMT 25 Jul 90

[Text] Seoul, July 25 (YONHAP)—South Korean President No Tae-u said Wednesday he is sure that within five years there will develop epochal momentum for reunification of Korea.

Undaunted by North Korea's rejection of his proposal for free South-North travel from Aug. 13-17, No said the government would still seek exchanges and make every effort to persuade the North.

No, who is president of the Democratic Liberal Party (DLP), made the remarks in a speech read by Kim Chong-pil at the inaugural meeting of the DLP's Central Permanent Committee.

Organized by lawmakers and party members, the committee will replace national conventions when it is deemed necessary by the DLP leadership.

"I believe the warm breeze of freedom, opening and democracy will blow through the Korean Peninsula before long," No said.

Accusing North Korea of using "non-existent concrete walls" to deny free travel, he urged North Korea's leaders to be sensitive to the pain of the 10 million families separated by the division of the nation.

No demanded opposition lawmakers, who tendered resignations on Monday, return to the National Assembly. "It is an act of abandoning politics to refuse to talk about differences, take to the streets and make arguments that contradict the Constitution," he said.

All 80 opposition lawmakers resigned to protest the DLP's railroading of controversial bills through the National Assembly. The DLP has 218 of the 299 seats in the assembly. There is one independent lawmaker, closely connected to the DLP, who did not resign.

Premiers of South, North To Meet in Panmunjom

SK2507033590 Seoul YONHAP in English 0257 GMT 25 Jul 90

[Text] Seoul, July 25 (OANA-YONHAP)—South and North Korea will sign an agreement Thursday on talks between their prime ministers in Seoul in September and Pyongyang in October, a government official said Wednesday.

The two sides will finalize details at the 8th preliminary meeting for the premiers' meeting at the truce village of Panmunjom Thursday morning before signing the agreement, the official said.

The prime ministers' talks, the highest encounter ever between the two parts of Korea, will be a major turning point for inter-Korean dialogue though Pyongyang rejected President No Tae-u's proposal on cross-border travel, analysts here said.

The two have agreed on the agenda—matters of resolving political and military confrontation and implementing exchange and cooperation between the South and the North.

They have tentatively agreed to hold the first meeting Sept. 4-7, and the second meeting Oct. 16-19, the official said.

The premiers are expected to discuss such sensitive issues as inter-Korean arms control, admission to the United Nations and ways of realizing cooperation and exchange between the two parts, split for the past 45 years.

Arms Control Coordinating Committee Formed

SK2507090090 Seoul YONHAP in English 0845 GMT 25 Jul 90

[Text] Seoul, July 25 (OANA-YONHAP)—An arms control coordinating committee directly controlled by South Korean President No Tae-u was formed Wednesday to study comprehensive measures to ease military tension in the Korean Peninsula. The committee will coordinate opinions on disarmament among government agencies and research institutes and draw up comprehensive arms control plans compatible with inter-Korean talks, Korea-U.S. security ties and northern policy, No's security adviser said.

Members comprise the assistant foreign minister for political affairs, the director of the Defense Ministry's

Arms Control Office, the assistant unification minister for unification policy and officials from the Agency for National Security Planning.

Kim Chong-hwi, presidential assistant for foreign and national security affairs, said: "The committee was created to respond to mounting needs for taking decisive steps toward national reunification by relieving inter-Korean tensions.

The committee will be placed under the command and control of the presidential assistant for foreign and national security affairs, Kim said. He also said that the committee will put together various opinions and consult with ministers concerned before reporting finalized disarmament plans to the president.

So far, the issue of arms control has been handled separately by the Defense Ministry's Arms Control Office, the Foreign Ministry and the National Unification Board.

Emissaries Dispatched To Explain Policy Abroad

SK2507014590 Seoul THE KOREA HERALD in English 25 Jul 90 p 2

[Text] Former Foreign Minister Choe Kwang-su has been dispatched to North and South America as a special presidential envoy, a Foreign Ministry spokesman said yesterday.

Choe is scheduled to visit Canada, Mexico, Brazil and Argentina to explain Korea's position on major international issues including northern policies, peace and stability on the Korean peninsula and possible admission to the United Nations.

The government will also dispatch No Chai-won, ambassador at large, to India, Algeria, the Middle East and European countries for the same purpose July 28, the spokesman said.

Church Plans Simultaneous Mass in North, South

SK2507121290 Seoul YONHAP in English 1129 GMT 25 Jul 90

[Text] Seoul, July 25 (OANA-YONHAP)—The Anglican Church of (South) Korea plans to hold masses simultaneously on the highest peaks in both South and North Korea on Aug. 15, the 45th anniversary of Korea's liberation from Japanese colonial rule, to pray for the reunification of the divided Korea, the church announced Wednesday.

The masses will be offered from 2 P.M. at Mt. Halla in the South and Mt. Paektu in the North in order to help cure pains of national division and give hopes and new life to the Korean people by practicing the faith, it said.

Similar masses will also be held in all chapters of the church in Seoul, the United States and Japan.

A 30-member group, consisting of priests and laymen, will leave here on Aug. 12 to journey to Mt. Paektu, the highest peak in the Korean peninsula on the border with China standing 2,744 meters, by way of Shanghai and Yanji of China.

Revs. Kim Chae-yol, Yi Sang-ho from the Seoul diocese and the Rev. Hwang Chong-ki from Pusan will jointly officiate the mass on Mt. Paektu.

On top of Mt. Halla, the highest in the South rising 1,950 meters on the southernmost resort island of Cheju, two priests and 20 young laymen will offer the mass.

In Seoul, Bishop Kim Song-su will give a mass at 10 A.M.

After the mass on Mt. Paektu, a group of seven samul nori (four Korean traditional percussion instruments) performers will present Korean music and dance to Korean residents in Yanji, the capital of the Yanbian Korean Autonomous District, it added.

Policy on North's Reunification Position Revised

SK2507045290 Seoul CHUNGANG ILBO in Korean 24 Jul 90 p 1

[Text] A Foreign Ministry official on 23 July revealed that the government has decided to change its existing foreign policy, which treats North Korea's abandonment of its reunification line of communization of South Korea as a precondition for improving relations between our allies and North Korea. In other words, the government will no longer demand North Korea's abandonment of this line as a precondition.

The official said: "North Korea's abandonment of its line on reunification through communization of the South is no longer a precondition for improving relations between a country with which we have diplomatic relations and between North Korea. This position has been relaxed, and we now ask our allies to urge North Korea in that direction."

Company To Exhibit, Sell North Korean Stamps

SK2007071790 Seoul YONHAP in English 0658 GMT 20 Jul 90

[Text] Seoul, July 20 (YONHAP)—North Korean postage stamps are to be exhibited and sold in Seoul in September for the first time since the division of the Korean peninsula 45 years ago.

The importer, Olympiad Seoul Co., said Friday that 600,000 stamps of 1,280 kinds will be on sale.

The stamps feature classical dance, musical instruments, animals, sports, famous mountains, cultural remains, folk tales, folk games, ancient paintings, the North Korean Army, Navy and Air Force, the March 1 independence movement and the Kabo socio-political reform of 1894.

Some stamps commemorate the 100 percent voting rate and 100 percent approval of candidates in the elections for the Supreme People's Assembly.

Editorial Views Development of USSR Relations

SK2407120990 Seoul SEOUL SINMUN in Korean 20 Jul 90 p 2

[Editorial: "Development of ROK-USSR Official Relations"]

[Text] The Soviet Union has come closer to us formally and practically. What is the Soviet Union? The two superpowers, the United States and the Soviet Union, are the only nations in the world that have completely independent military power and have the entire world as their operational stage for intelligence activities. It is true that the Soviet Union suffers from economic inferiority due to its socialist system. However, the Soviet Union has enormous power which may somewhat surpass the United States in the domains of international intelligence, maneuvering, and military forces. The Soviet Union is faced with improving official relations—establishing diplomatic relations—with us.

Soviet President Gorbachev's personal letter to President No Tae-u means that the negotiations for the establishment of ROK-USSR diplomatic relations are being pushed ahead fully. As for establishing diplomatic relations between the ROK and the Soviet Union, President Gorbachev said in April that "this is a matter of time and there is no obstacle." He also stated that "political stability and the relaxation of tension are necessary on the Korean peninsula." Thus, he suggested that an improvement in ROK-USSR relations is an international strategy of the Soviet Union and is closely linked with the issue of the Korean peninsula.

The leaders of the two nations have already forged intimacy through summit talks. The two leaders shared the same view that the promotion of friendship and improvement of cooperative relations between the two countries are important for global peace and reconciliation and relaxation of tension on the Korean peninsula. Furthermore, in his letter to President No, sent in the form of a reply, President Gorbachev proposed specific discussions on the development of relations between the two countries. Thus, the establishment of diplomatic relations between the ROK and the Soviet Union has become a matter of time and there is no hindrance in this course. Based on this, the first official cabinet-level talks between the two governments will be held in Moscow in August. This is the practical beginning of the ROK-USSR negotiations.

However, we are attentive to the fact that the Soviet side's request to dispatch our delegation has the limitation of "economic delegation." This implies that adjusting the balance of economic cooperation will be the greatest task in the ROK-USSR negotiations. On the other hand, the Soviet side noted that "any figure considered necessary by President No may be included in the delegation." Thus, one may possibly conclude that economic cooperation will lead to the establishment of diplomatic relations. It has been learned that the Soviet side recently made a somewhat excessive request for economic cooperation. However, we should maintain a prudent and principled attitude.

Thus, it is important to set up principles for dealing with ROK-USSR negotiations. Some people observe that the authorities and private entrepreneurs are too hasty and have excessive expectations in connection with the improvement of relations between the two countries. These people thus express concern. We also should be alert to the possibility of deviating from the principle of mutual benefit in the economic cooperation because of an adherence only to the idea of "establishing diplomatic relations first," since we are excessively sensitive about North Korea in connection with the issue of the Korean peninsula.

The assertion that the problems of the Korean peninsula should be solved between the relevant authorities of the North and the South has not been easily realized because international relations and interests among the countries concerned are very complicated. Needless to say, the military and diplomatic strategy of the United States and the Soviet Union is of particular importance in solving such problems. The United States, our traditional ally, also began intensive discussions on issues of the Korean peninsula with the Soviet Union. If we discuss the Korean peninsula with them based on the sincere efforts of the South Korean authorities, a resolution of these issues will not be at all impossible.

Soviet Personnel Stop, Board Fishing Boat

SK2007120590 Seoul Domestic Service in Korean 1100 GMT 20 Jul 90

[Text] At about 0620 this morning, a boat that seemed to be a Soviet patrol boat approached No. 26 Tonggon, a 114-ton fishing boat which was fishing for squid in high waters near the Taehwatae Fishing zone north of the East Sea coast line. Five Soviets boarded the fishing boat and disembarked three hours later. The Fisheries Administration is now investigating this incident.

According to a report from fishing boats on the spot filed to the Fisheries Administration, No. 26 Tonggon spotted a boat that appeared to be a Soviet patrol boat approaching at about 0620 this morning while it was fishing with other fishing boats at 39 degrees 19 minutes north latitude, 134 degrees 5 minutes east longitude, south of the controlled fishing zone. The Tonggon reported that five Soviet crew wearing green uniforms and berets came aboard.

Unable to communicate with the Korean fishermen and realizing that they were constantly under the watchful eyes of five other Korean fishing boats, the five Soviets left the fishing boat and returned to their patrol boat at about 0920. The No. 26 Tonggon is still in the fishing zone catching fish.

On receiving a report on this incident at about 0720 this morning from Tong-a, [word indistinct] boat, the Fisheries Administration has urgently sent a fishermen guide boat, Pusan 205, and two naval boats to the spot.

Kang, EC Leader Delors Agree To Boost Trade

SK2507005190 Seoul YONHAP in English 0041 GMT 25 Jul 90

[Text] Brussels, July 25 (YONHAP)—South Korean Prime Minister Kang Yong-hun and European Commission Chief Jacques Delors agreed Tuesday to boost trade between Korea and the 12-member European Community through multilateral cooperation.

Meeting at EC Headquarters, Kang asked for cooperation in dissuading the Soviet Union and China from vetoing Seoul's application for U.N. membership, and Delors promised full support.

Delors also said he would back moves to help reform and opening spread from Eastern Europe to Asia, particularly the Korean peninsula.

Predicting Moscow will strive for security and peace in Asia to offset the degradation of its status in Europe, Delors said the EC, the United States and Japan should not spare efforts to help the Soviet struggle.

Trade-Industry Minister Pak Pil-su, who is accompanying Kang on his three-nation European tour, requested a lowering of EC barriers to trade with Korea. He said the Korean economy was suffering from a revaluation of its currency and rising wages and that it expected a trade deficit with the EC this year.

Kang invited Delors to visit Korea in the near future. Delors accepted.

Earlier in the day, Kang laid a wreath at the Korean War Memorial here while some 60 Belgian veterans looked on.

Kang began his trip to Ireland, Belgium and Turkey last week.

Prosecutor Seeks Prison Term for Dissident

SK2107000990 Seoul THE KOREA TIMES in English 21 Jul 90 p 3

[Text] Prosecutors sought a seven-year prison term for dissident leader Kim Kun-tae, 43, on charges of violating the National Security Law and the Law on Assembly and Demonstration.

Kim was arrested last month for organizing a series of illegal antigovernment rallies and allegedly sympathizing with North Korea at the January 1989 inauguration of the National Alliance for Democracy Movement (Chonminnyon).

The prosecution charges state Kim defied the law by supporting North Korea's call for the withdrawal of American forces from South Korea while making his inaugural statement for Chonminnyon.

Prosecutor Mun Song-u also accused him of organizing violent rallies in protest against the creation of the ruling Democratic Liberal Party through a three-party merger early this year.

The prosecutor demanded the stern punishment in the absence of the 1986 Kennedy Human Rights Awards winner, who deserted the hearing session after giving his initial speech.

Kim left the courtroom in the Seoul Criminal District Court, saying, "I refuse to stand trial in the situation where no fair trial is guaranteed."

"I know that my refusal is synonymous with the acceptance of the prosecutions accusations, but I have lost my last hope and willingness to stand for my defense," Kim added.

"The charges against me sound very absurd. How can it constitute a crime for a citizen to organize antigovernment rallies?" he asked.

"The charge of the security law violation looks ridiculous. Why is it a crime to demand the withdrawal of American forces from South Korea," he claimed.

Kim had been in fact the leader of the Chonmunnyon, the nation's largest dissident alliance which also met a virtual collapse this spring with the arrest of its key members.

Editorial Urges Release of Visitors to North

SK2407112390 Seoul HANGYORE SINMUN in Korean 24 Jul 90 p 2

[Editorial: "All of Those Detainees Who Visited North Korea Should be Released. To Realize 'Free Travel,' It Is Imperative To Abolish the National Security Law"]

[Text] The release of those imprisoned simply because they visited North Korea is now under review, according to a report recently revealed by influential circles within the Democratic Liberal Party [DLP].

Kim Yong-sam, executive chairman of the DLP, on 21 July said that he will "review the issue of releasing those figures who have been imprisoned for having clandestinely visited North Korea, including Mun Ik-hwan, Yim Su-kyong, and Mun Kyu-hyon." He added that "the possibility is very high for government authorities to release them through the president's special amnesty, depending on future progress in the realization of free travel between the North and the South."

When the whirlwind of the so-called political situation, which was dominated by security affairs, was sweeping this society last year, we predicted that if people recovered their self-possession from the excited atmosphere, the authorities' unreasonable and unjust unilateral condemnation of those figures who had visited North Korea, and the heavy penalty for it, would be exposed to the world. Now that President No Tae-u has proposed free travel between the North and the South, those who took the initiative in creating the political situation, which was dominated by security affairs at that time, should now apologize to the popular masses.

The report that "the release of those figures who visited the North is now under review," which was leaked recently from a section of the DLP regime, has not yet been confirmed nor has its details yet been disclosed. It is believed that this issue is still at the first stage of discussion. Granting that the release of those figures who visited North Korea is realized, it would be nothing but a "one-time generosity" of the government. It cannot be regarded as the epochal improvement of the nation's present reality or as an improvement of human rights. As long as the National Security Law exists, the authorities are able to arrest and put in jail those people who visit North Korea.

The government authorities announced that if the free travel between the North and the South which President No proposed on 20 July is realized, they will not punish any act of those people visiting North Korea except praising and encouraging the North Korean social system, which constitute violations of the National Security Law. However, not punishing such acts as praising, encouraging, and sympathizing with North Korea only for the visiting period of a few days while punishing them on ordinary days is contradictory to common sense.

What is the reason? Why should free travel be allowed for only five days from 13 to 17 August and not thereafter? Moreover, the remarks by the authorities that only such acts as praise, encouragement, and sympathy with North Korea while visiting North Korea for five days will not be punished are tantamount to the meaning that such acts can be punished with other provisions of the National Security Law. The National Security Law contains the provisions which punish the acts of receiving money and other valuables, secret meetings and communications, and leaking secrets, besides the provisions which punish the acts of praise, encouragement, and sympathy. Unless the authorities promise to those who want to visit North Korea this time not to apply these numerous provisions, their announcement that "anyone can freely visit North Korea without restrictions" will become false propaganda.

Last year the government noisily made public on many occasions that it would allow university students to participate in the Pyongyang festival. However, the government authorities arrested and imprisoned the student who participated in the festival and those involved in the festival.

If the government is really interested in national reunification and is willing to make efforts toward national reconciliation, and if it wants to prove that the president's proposal for free travel between the North and the South is not a "political show," it should abolish the National Security Law, which contains many controversial problems, and should release all of those imprisoned simply because they had visited North Korea. Of course, lawmaker So Kyong-won, too, should be included in the list of those who should be released. Calling North Korea to the table of dialogue while describing it as the "enemy" and hiding a dagger by no means shows the attitude of trying to achieve reunification.

The policy toward North Korea, which has fooled the people and tormented separated families, should be renounced and terminated. All acts which damage the dignity and pride of the nation and destroy national reconciliation should be terminated now. We have nothing which cannot be accomplished with the economic potential of South Korea, our people's high political awareness, and their burning desire for national reunification. The biggest obstacle to reunification is precisely the ruling forces which are attempting to utilize the reunification question for their political purposes.

Pusan Students Hold Education Minister Hostage

SK2507095890 Seoul YONHAP in English 0915 GMT 25 Jul 90

[Text] Pusan, Korea, July 25 (YONHAP)—Education Minister Chong Won-sik was being held hostage by some 200 students late Wednesday afternoon.

Chong was visiting Pusan National University, 450 kilometers southeast of Seoul, when he was captured at 10 A.M. in the president's office by students denouncing the police for entering their campus.

Students are angry because police have entered the campus and fired tear gas to disperse demonstrations.

They demonstrated outside the room, in which the minister was meeting university President So Sil-chu and asked to talk with Chong so he could apologize for the "suppression of campus" by government authorities.

University authorities allowed five student leaders to see Chong at 3 P.M., but as of 5 P.M. he was still a hostage and the students were still demanding a courteous apology.

Education Minister Escapes

SK2507055190 Seoul YONHAP in English 1043 GMT 25 Jul 90

[Exerpt] Pusan, July 25 (YONHAP)—Education Minister Chong Won-sik left the campus of Pusan National University unhurt at about 3:35 P.M. Wednesday after getting away from the school's main building where he had been locked up in by a group of sit-in protesters.

Chong was confined for several hours at the office of the university's president, So Chu-sil, by a group of radical student activists demanding an open apology for harsh police actions against demonstrators reported here recently.

Chong could leave the campus unhurt through its rear gate, some 500 meters away from the school's main building, after having successfully persuaded students to stop sit-in protest and wait for him at the building's entrance.

The chief education official was escorted by a group of school officials on his way to the rear gate where he took his car. [passage omitted]

Defense Ministry Studies Conscription System

SK2507022390 Seoul YONHAP in English 0208 GMT 25 Jul 90

[Text] Seoul, July 25 (YONHAP)—The Defense Ministry has formed a task force to investigate irregularities by South Korea's seven military manpower offices and find ways to correct them, a ministry spokesman said Wednesday. The team will operate for a week. It was set up following the recent arrest of conscription officials on charges of taking bribes, the spokesman said.

The team's seven specialist investigators will study every phase of conscription and the ministry will deal harshly with anyone involved in irregularities, indicting them if necessary, he said. The investigation will focus on the conscription inspection system, discharges for reasons of family poverty or illness, treatment of military service dodgers and conscripts absent without leave, special draft exemptions for being an only son with elderly parents or any other reason and personnel management.

The ministry has also created "a countermeasure squad" to clean up the conscription administration and to solve systematic and structural problems. In its bid to reform the administration, the ministry will also open "absurdity reporting centers" to collect public opinion.

Kim Tae-chung Predicts Unified Opposition by Aug

SK2507081590 Seoul YONHAP in English 0751 GMT 25 Jul 90

[Text] Seoul, July 25 (YONHAP)—Opposition leader Kim Tae-chung said Wednesday he is optimistic a proposed unified opposition party will be formed next month. The leader of the Party for Peace and Democracy, who quit parliament Monday along with every other opposition legislator to demand general elections, said his call for dissolution of the National Assembly is constitutional.

"The merger of the opposition camp will be realized during August as Democratic Party President Yi Ki-taek holds a firm belief in it and we share one opinion on how to proceed," Kim said.

Splinter party head Yi said shortly after tendering his resignation that the merger could be made shortly before the assembly convenes in September.

"Our party's call for parliamentary dissolution and new general elections is not unconstitutional as the ruling camp argues. We can have across-the-board by-elections to form a new parliament or can rewrite the law on general elections as no provision exists in the Constitution," Kim told reporters.

He made it clear he was unwilling to talk with the ruling Democratic Liberal Party to resolve the problems caused by the resignation of 80 assemblymen.

"We plan to lead the political situation with the nation's full support, which will be obtained by merging the opposition forces into one party," Kim said.

The ruling party says it will try to negotiate with the opposition to end the standoff before the regular session in September but will never call general elections.

Analysts say the confrontation will continue into August.

Ban on Importing Foreign Laborers To Continue

SK2207024690 Seoul THE KOREA HERALD in English 22 Jul 90 p 6

[Text] The Korean government will continue not to allow Korean companies to import foreign laborers, though the manpower shortage will get worse, a high-ranking government official said yesterday.

Speaking at a seminar in Cheju, Vice Labor Minister Chong Tong-u said that the government will continue not to accept requests from Korean companies for permission to import foreign workers to solve their labor shortages.

Chong noted that the Korean government has strongly opposed liberalization of the labor market being discussed at the Uruguay Round of multilateral trade negotiations mostly in the coal mining and housing construction industries.

At least several Korean firms reportedly have sought the government's permission to recruit foreign workers, largely from such Southeast Asian nations as the Philippines and Indonesia.

Some affluent Seoulites, according to recent reports, have hired Filipina housemaids and English tutors illegally.

The manpower shortage in Korea is serious, particularly at factories with unfavorable working conditions as their employees are seeking less-demanding jobs.

Chong said it is true that the labor shortage is serious in the country, but if foreign workers are allowed in, it will cause serious domestic social and economic troubles.

For this reason, Chong stressed that under no circumstances will the government allow imports of foreign laborers.

Such a labor shortage, the deputy labor minister said, was caused by Koreans' growing preference for jobs in the service industry over demanding factory work.

Chong also ruled out the possibility of the government's rewriting labor-related laws, though both labor and business circles have strongly called for their revision.

He said that labor laws should be amended only when there are drastic social changes in the country such as constitutional revision and major restructuring of domestic industries.

However, he added that the government is examining all labor-related laws by comparing them to foreign statutes and studying recommendations from both labor and business circles.

Accounting Company Reports on South's Businesses

SK1907051990 Seoul YONHAP in English 0459 GMT 19 Jul 90

[Text] Seoul, July 19 (OANA-YONHAP)—The concentration of economic power in the hands of South Korea's 50 largest business groups intensified last year, according to a private accounting company Thursday.

In an analysis of the groups' financial statements, Donghwa Accounting Co. found that the total value added by the groups, excluding their financial subsidiaries, to their final products by manufacturing and marketing was 17.212 trillion won (24.24 billion U.S. dollars), up 3.329 trillion won or 24 percent from 1988. The growth rate compares with 11 percent for the gross national product.

Turnover, including financial subsidiaries, was 113.666 trillion won, up 12.3 percent, and combined assets 151.285 trillion won, up 37.6 percent.

Liability and net assets expanded 37.6 percent and 47.3 percent, respectively, while net profits were 1.835 trillion won.

Samsung group was top in sales with 21.894 trillion won, followed by Hyundai with 17.284 trillion won, Lucky-Goldstar with 13.303 trillion won and Daewoo with 9.522 trillion won.

Samsung was also first in net profits with 334.4 billion won, followed by Hyundai with 302.2 billion won, Lucky-Goldstar with 207.3 billion won and Ssangyong with 120.4 billion won.

Hyundai had most total assets with 17.703 trillion won, Daewoo was second with 17.534 trillion won, Samsung had 17.024 trillion won and Lucky-Goldstar 15.335 trillion won.

Hyundai produced the most value with 2.58 trillion won, next were Samsung 2.307 trillion won, Lucky-Goldstar 3.261 trillion won and Daewoo 1.802 trillion won.

Hyundai had the most equity capital with 4.12 trillion won, Daewoo was second with 3.585 trillion won, Lucky-Goldstar had 3.261 trillion won and Samsung 2.272 trillion won. Samsung had the largest debt with 14.752 trillion won.

Bank Reports Service Sector Trade Deficit

SK2007055490 Seoul YONHAP in English 0542 GMT 20 Jul 90

[Text] Seoul, July 20 (OANA-YONHAP)—South Korea recorded a service trade deficit in the first five months for the first time in 11 years of surplus, according to the Bank of Korea [BOK] Friday.

The deficit in the service sector is feared to grow when the Uruguay Round of trade negotiations ends in December because the nation's service industry is inferior to those of advanced countries, BOK said.

The service sector deficit was 181 million dollars for the January-May period, it said.

The service balance turned to a surplus of 570 million dollars in 1980 from a deficit of 195 million dollars in 1979. The surplus peaked at 3.079 billion dollars in 1987, fell to 69 million dollars last year and turned to a deficit this year.

Korea's service industry has grown steadily, accounting for 41 percent of the gross domestic product in 1975 and 45.7 percent in 1988. This compares with 32.5 percent for the manufacturing sector in 1988. GDP is the gross national product minus net income from overseas.

The bank said Korea's service industry is fragile in almost all categories—finance, securities, insurance, communications, movies and advertising—compared with developed nations.

The bank recommended that the government carry out policies to enhance the international competitiveness of the service industry to prepare for liberalization of the service trade after the Uruguay Round.

It also suggested that Korea positively join the multilateral negotiations for the liberalization of the service market in the Uruguay Round rather than opening the market through bilateral negotiations.

Employment in Manufacturing Sector Shrinks

SK2007035690 Seoul YONHAP in English 0257 GMT 20 Jul 90

[Text] Seoul, July 20 (YONHAP)—Employment in the manufacturing sector in South Korea shrank 2.5 percent to 4.797 million people in the first quarter of the year while the number of people in service jobs increased 6.8 percent, according to a study released Friday.

Non-manufacturing employment rose 7.3 percent (0.71 million) to 10.436 million, the Korea Labor Research Institute said.

The number of manufacturing workers dropped to 28 percent of the work force, from 29.8 percent a year earlier.

The service sector includes wholesale, retail, food, lodging, transportation and finance.

Construction employment, which the study classified as non-manufacturing, rose 18.7 percent due to a construction boom.

Labor experts attributed the fall in manufacturing employment to a rising dislike of production jobs as physical labor is considered less rewarding than clerical work.

They said they were worried over the declining manpower in the manufacturing sector. West Germany has 31.6 percent manufacturing jobs and Japan 24 percent.

State To Support Aerospace Development Firms

SK2007061990 Seoul THE KOREA HERALD in English 20 Jul 90 p 6

[Text] The government has decided to foster Samsung Aerospace Industries, Daewoo Heavy Industries and Korean air as companies specializing in aircraft assembly, the Ministry of Trade and Industry said yesterday.

The three companies will have the privilege to supply aircraft to the government and benefit from tax breaks, the ministry said.

Other forms of government support will be provided for the companies, which are now participating in the Korean Fighters Program of producing jet fighter under a U.S. license, it said.

In addition to the three companies, it said, Daewoo-Sikorsky, Hyundai Precision and Industry and Sammi-Agusta applied for government designation as companies specialized in aircraft assembly.

But the government turned down their request in consideration of the small domestic market, it said.

Worries about possible duplicated investment and overheated competition led the government to limit the number of companies specializing in aircraft assembly, it said.

In selecting the companies, it said, the government studied each company's contribution to the nation's aerospace industry, management and investment it had made.

The government, it said, will encourage Samsung, Daewoo and Korean air to foster their parts supplies.

Daewoo-Sikorsky, Hyundai and Sammi-Agusta may become specialized in aircraft assembly if they are willing to forego government support.

"The government cannot prevent them. But I don't think they will choose to become specialized in aircraft assembly," a ministry official said.

Government support to the three specialized companies will not create any trade friction, he said.

Many countries currently give subsidies to their aerospace companies, he said.

Samsung To Build Heavy Commercial Vehicles

SK2107015590 Seoul YONHAP in English 0124 GMT 21 Jul 90

[Text] Seoul, July 21 (OANA-YONHAP)—Samsung Shipbuilding and Heavy Industries Co., a subsidiary of the Samsung group, will soon be given permission to manufacture heavy goods vehicles of 11 tons and above.

The government will approve Samsung's application for a license to produce commercial vehicles, Trade and Industry Minister Pak Pil-su told reporters Friday.

Pak said the supply of goods vehicles cannot keep up with demand and it was reasonable to allow Samsung to manufacture trucks in order to ease the shortage.

He said the government will not allow Samsung to produce cars, although business sources say that is the conglomerate's goal.

Pak said the trucks to be made by Samsung are similar to the construction equipment it already makes.

Samsung will introduce technology from Japan's Nissan Diesel to produce the vehicles at a factory it intends to build at its site in Changwon, South Kyongsang Province. Due for completion in 1993 at a cost of 72 billion won (100.7 million U.S. dollars), the plant will have an annual production capacity of 4,000 trucks.

The government's decision to let Samsung build trucks is expected to meet sharp resistance from the existing automakers—Hyundai, Daewoo, KIA, Ssangyong and Asia.

The five, which produce cars, trucks and buses, are strongly opposed to Samsung's joining their ranks, saying that it would have an adverse impact on the national economy and cause excessive competition and overlapping investment.

They argue that the shortage of heavy goods vehicles is a temporary result of the domestic construction boom and that demand will fall substantially in 1992.

Burma

Appeal for Release of U Nu, Aung San Suu Kyi

BK2107144990 Delhi External Service in Burmese 1115 GMT 21 Jul 90

[From the program presented by U Maw Thiri: "Current Burmese Affairs"]

[Excerpts] Listeners: The interesting topic for most people today is when the military government will return to the barracks, in keeping with its pledge to accept the people's verdict to transfer administrative power to the National League for Democracy [NLD] which won the elections.

There has been much speculation about this as the military government has not announced any definite program yet, in spite of its promise to return power to the people. The people want the new party they have given a full mandate to to start serving the country. The people also want the new government to work for the three tasks [ensuring peace and law and order, safe and smooth transport and communications, and improving the people's basic needs of food, clothing and shelter] presented and discussed by the military government. It is more appropriate and democratic for a group that has fully won the people's trust than for a group that the people do not support to discharge this duty. [passage omitted]

According to unconfirmed reports, even prior to the elections, political parties realized that Daw Aung San Suu Kyi's party and the NUP [National Unity Party] were the main contenders at the elections. Because of this, many political parties had even decided to support the NLD by not contesting in the elections. Some major parties had already made arrangements to sign an agreement to that effect. The agreement was, however, not signed when the major leaders were suddenly arrested. If these reports were true, it would imply that the political parties had agreed to work together even before the elections. [passage omitted]

It is crucial for all political parties presently to unite and to work together to establish democracy. [passage omitted] All the people and political parties must be of one voice, and politicians should know exactly what to do at this crucial time.

It has been reported that a military government authority went to U Nu, who is under house arrest, and informed him of the victory of Daw Aung San Suu Kyi's party in the elections. U Nu was reported to have exclaimed Sadu, Sadu, Sadu [Buddhist way of saying well done] happily. He then wrote a short message in a piece of paper with his pen and handed it to the authority. In the message U Nu is reported to have said: I hereby dissolve my parallel government [which he declared in September 1988] effective from now. However, we cannot confirm whether this report is true or not. There has been no newspaper report on this. But, there is also no reason why a veteran politician and advocate of democracy like U Nu did not do what has been claimed. We believe he likely did it because the people have rejected his policy of forgiveness [thin bon che ye warda] and accepted Daw Aung San Suu Kyi's policy of eradicating injustice. Considering the interests of democratic forces, he saw no more reason to continue with his parallel government and likely announced its dissolution.

If he made that declaration, the world should know about it. People should be duly informed to avoid speculation. We appeal that if U Nu did not do so, he should proceed to dissolve the parallel government. However, if he has already done it, government newspapers should report the declaration completely and immediately.

While on this matter, the AIR [All India Radio] would like to appeal to the military government not to misunderstand the AIR broadcast which harbor goodwill toward Burma. The main objective of our broadcasts is to contribute to the progress and prosperity of Burma. If there is press freedom in Burma like in India, we from AIR will not broadcast the Current Burmese Affairs program. We are broadcasting the program in goodwill in order to open the people's eyes and ears as well as the government's, as a couple of existing newspapers remain under full government control and the people's voice is suppressed.

We will stop programs such as the Current Burmese Affairs as soon as there is a free press in Burma. If we are allowed to visit Burma and observe, we promise to present the issues constructively. In conclusion, we would like to say that there is no need for the military government to keep a slightly built 45-year old woman like Daw Aung San Suu Kyi and an elderly leader U Nu who is 84, under detention. The two can pose no danger. Their continued detention will make them martyrs and will convince the people that the Army and the military government are genuinely afraid of them. If they are freed, these two persons will contribute to the country's interests, including that of the soldiers and the military government. We would like to appeal to the Burmese military government to free them as soon as possible.

Commander Inspects Activities in Mandalay 22 Jul

BK2307153790 Rangoon Domestic Service in Burmese 1330 GMT 23 Jul 90

[Excerpts] Major General Tun Kyi, chairman of the Mandalay Division Law and Order Restoration Council and commander of the Central Military Command, accompanied by members of his council inspected construction activities in Mandalay and Sagaing on 22 July. [passage omitted]

Next, the commander and the council members visited Datpaungsu pagoda in Sagaing. The pagoda trustees welcomed the party and discussed construction matters. [passage omitted]

The commander and his group, accompanied by Major Soe Tint, chairman of Amarapura Township Law and Order Restoration Council, along with council members and departmental personnel, inspected the erosion of the Sagaing-Myitnge road and the planting of water hyacinths as a means of preventing water erosion. The commander gave necessary guidance and returned to Mandalay.

Brunei, Malaysia & Singapore

Malaysia

U.S. Urged To 'Get Real' Over SRV Refugees

BK2007144790 Kuala Lumpur NEW STRAITS TIMES in English 17 Jul 90 p 10

[Editorial: "No Lack of Friends or Credit"]

[Text] It must be the season for equestrian sports in the US. In recent weeks, quite a few American legislators and lobbyists have been mounting their high horse and have been in a high dudgeon over various alleged offences committed by Malaysia.

Last year, the country was accused of purveying palm oil to Americans, as if Malaysia was responsible for their unhealthy obesity and disgusting eating habits. Then, earlier this year, Malaysia was portrayed as a gigantic sweatshop. The Government was charged with conniving with fat-cat industrialists (brushing over the fact that such an undiscriminating tar-brush also smeared American concerns) in exploiting Malaysian workers, in busting unions. Now, the target is Malaysia's treatment of Vietnamese boat people.

Even if one were to be generous and not ascribe cynical political motives to these recent attempts to make Malaysia a whipping-boy, one must wonder about the credibility of these people. Their accusations are ill-informed at best. At worst, they suggest a strong streak of xenophobia.

There are reports that the US Republican Research Committee is backing a bill that will cut off Malaysia's access to multilateral loans, that will halt US aid to the country, and that will withdraw Malaysia's privileges under the Generalised System of Preferences (GSP). Our alleged offence this time round? Not rolling out the red carpet for an unending flotilla of Vietnamese refugees. Wouldn't these American legislators like to have thousands of new and grateful constituents in their electoral districts? Just say the word, get it into legislation, and the members of ASEAN and Hong Kong will be quite happy to process the thousands of refugees and to expedite their departure to the US.

But if their generosity only extends to insisting that others manage the problem, then they should zip up their lips. Countries like Malaysia and Hong Kong have been housing and feeding thousands of Vietnamese refugees for years while the rest of the world wrung their hands over the touching plight of the refugees... and slowly picked through the over-crowded camps for refugees who already had family members overseas or who had useful skills.

That is fine. But what about the rest who are unsuccessful in the sifting? The US is against a forced repatriation of refugees. Vietnam too, is not eager to have them back. What is to be done with them? It was agreed that after March last year all new arrivals would be screened to determine whether they were political or economic refugees. (Of the 1,500 refugees who have been screened by Malaysia so far, about 70 percent have been classified as economic refugees.) A determination of their status must be attended by action that will end their languishing in camps.

As Finance Minister Datuk Paduka Daim Zainuddin noted, Malaysia has friends in the US Government and business community who can be relied on to help scotch such ill-considered attempts. Malaysia's standing with international organisations such as the World Bank is also good because the country has been very scrupulous in settling its loan obligations.

This is not to suggest that we do not value our amiable relations with the public and private sectors of the US, that the country will defiantly manage without their support, but to indicate that it has become a tiring and tiresome experience to keep defending our position, to keep pointing out the facts to people who keep ignoring the whole picture because it does not fit into their thesis.

There is nothing humanitarian about throwing out a tenuous lifeline to Vietnamese refugees, when all that means is depressing, debilitating, seemingly endless months of making do in refugee camps while hopes fade and distant legislators across the seas talk vaguely about an eventual solution. Get real.

Paper Views Settlement of Refugee Problem

BK1907153990 Kuala Lumpur UTUSAN MALAYSIA in Malay 7 Jul 90 p 6

[Editorial: "Vietnam Should Stop Its People's Activities"]

[Text] In his meeting with General Vo Nguyen Giap, the Vice Chairman of the Vietnamese Council of Ministers, Deputy Prime Minister Mr. Ghafar Baba has expressed the hope that Vietnam would stop its citizens from fleeing the country. We trust that the Vietnamese Government will take note of this.

Since Vietnamese refugees started coming to Malaysia in the 1970's, developed countries have often regarded Malaysia as being inconsiderate toward the refugees although, in reality, much had been done to provide them temporary asylum. It is obvious that the basic facilities provided by the Malaysian Government for the refugees are far better than what has been done by other countries. However, despite the humanitarian feelings demonstrated by the government, criticism still persists, such that it appears as if this country has been cruel to the refugees.

However, when United Nations High Commissioner for Refugees (UNHCR) staff are invited to visit the refugee camps, they can see for themselves how good the basic facilities and services at these camps are.

Although there are about 4,000 Vietnamese refugees in the country now, the Malaysian Government is worried that they will continue to come if the Vietnamese Government does not do anything to stop them from fleeing their native land.

It is common knowledge that Vietnamese refugees are "economic refugees" who use Malaysia as a transit point before they are picked up by developed countries. Surveys made by local and foreign journalists show that they do not want to continue staying in this country. Besides, this country has a law on refugees that has to be implemented to prevent the people's suspicions against the government from being aroused. The government has taken steps to send refugees to developed countries before the refugee issue becomes a political one. However, although Malaysia has protested to the Vietnamese Government over 142,353 illegal immigrants at the Pulau Bidong camp, 100,000 more have arrived since 1980. However, 226,000 of the total have been sent to third countries.

On the other hand, despite Malaysia's efforts to provide temporary asylum and repatriate the refugees, the government is constantly accused of being cruel toward them, as what was mentioned by the United States Government spokesman last April. In essence, Malaysia's image has not been projected positively even though it has made big sacrifices for the refugees.

In this connection we feel that only the Vietnamese Government can help solve the problem by stopping their people from fleeing the country. We trust that those intending to leave the country will not easily migrate, now that many refugees are willing to return home after being advised to do so. This is especially so when opposition against the refugees is increasing the world over.

Bomb Explosions Reportedly Injure Two in Sabah

BK2507074790 Hong Kong AFP in English 0733 GMT 25 Jul 90

[Text] Kota Kinabalu, Malaysia, July 25 (AFP)—Two bombs exploded in public toilets in Kudat town north of here early Wednesday, injuring two men, police said.

Kudat District Police Chief Basri Ismail said the bombs, believed to be the same as those used by fishermen for catching fish, ripped off part of the toilets, one of them a few metres (yards) away from the police station. Mr. Basri said a 30-year-old man and an 18-year-old youth were injured in the explosions and kept in hospital for treatment.

The blasts sent townsfolk into a panic as they recalled riots and bombings in early 1986 in this east Malaysian state of Sabah in the wake of state elections won by the Christian-led Parti Bersatu Sabah (PBS). Drivers of public transport refused to go into Kudat while shopkeepers kept their shops closed until noon. Residents said they could hear the blasts four miles away.

The PBS was re-elected to a third term last week, winning 36 seats in the 48-seat state legislative assembly against 12 seats won by the predominantly Moslem United Sabah National Organisation.

Singapore

Official Criticizes U.S. Policy on Cambodia

BK2407144690 Hong Kong AFP in English 1358 GMT 24 Jul 90

[Text] Singapore, July 24 (AFP)—The recent shift in the U.S. policy on Cambodia has created a rift in the cooperation between Washington and ASEAN, head of the government parliamentary committee on defence and foreign affairs said Tuesday.

Chandra Das said the U.S. decision undermined the diplomatic strategy of the Association of Southeast Asian Nations (ASEAN) and obstructed efforts to seek a peaceful settlement to the Cambodian conflict. It also worsened the growing concern that the U.S. did not adequately consider the security interests of non-communist ASEAN, which comprises Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand, he said.

U.S. Secretary of State James Baker announced in Paris last Wednesday that Washington was withdrawing its support for the Cambodian resistance coalition's seat at the United Nations and would open a dialogue with Vietnam on Cambodia.

ASEAN foreign ministers are currently in Jakarta for their annual meeting and are scheduled to meet with Mr. Baker there later in the week.

Cambodia

Sihanouk Stresses Conditions for Supreme Council

BK2507032590 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 24 Jul 90

[Text] On 21 July His Royal Highness Samdech Norodom Sihanouk, Cambodian president and leader of the Cambodian National Resistance Forces, stressed in a letter that so long as part of Cambodia is still invaded and occupied by the Vietnamese forces, a supreme national council should not be established. The samdech said: The supreme council cannot truly represent Cambodia as a whole as long as the Khmer Rouge does not join it. He added: The Hun Sen faction and the Hun Sen army can only survive in Cambodia with multifarious assistance from the SRV and the direct protection of the Vietnamese shock and special troops. As for the party of Democratic Kampuchea [DK] and the DK armed forces, they have been supported by the majority of the peasants who comprise most of the population of Cambodia.

The samdech further said: The supreme council should be the symbol of Cambodia's independence and sovereignty. In this context, the supreme council should not be established so long as part of Cambodia continues to be militarily occupied and seized by the SRV as its territory and a meeting of the supreme council can be held neither on territory which is not fully liberated nor in a foreign country. He pointed out that he agreed to be at the helm of the supreme council if:

1. The Vietnamese forces and settlers completely withdraw from Cambodia.
2. The SRV legally recognizes and scrupulously respects Cambodia's legitimate and legal borders both on land and at sea which existed until 17 June 1970.

102 People Said Affected by SRV Toxic Gas

BK2207041990 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 21 Jul 90

[Text] On 9 July, the Vietnamese aggressors wearing puppet soldiers' uniforms in Boeng Ket pier fired several rounds of toxic gas shells into Hasip Pram Muoy and Pram Pi villages in Boeng Ket commune, Stoeng Trang District, Kompong Cham Province, killing or seriously incapacitating 90 inhabitants and affecting some others. Many buffaloes, oxen, hogs, and fowl also died.

The Vietnamese aggressors also fired several rounds of 105-mm artillery shells into these two villages, killing seven inhabitants and a number of buffaloes, oxen, hogs, and fowls, and wounding five others. Fifteen houses were also burned down.

Our people—male and female and young and old alike—in these two villages are very angry with the Vietnamese aggressors and Vietnamese-puppet Hun Sen-Heng Samrin traitors. Some of our people and youths have voluntarily joined our national resistance forces in the fight against the Vietnamese aggressors and Vietnamese-puppet Hun Sen-Heng Samrin traitors in order to avenge their families, relatives, and our people.

Sixty-seven of the 102 victims in these two villages are parents, brothers, sisters, wives, children, and relatives of the Cambodian soldiers who have been forced to fight on various battlefields by the Vietnamese aggressors and Vietnamese-puppet Hun Sen-Heng Samrin traitors.

VOK Says Troops Set Up Position in Stoung

BK2207075390 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 22 Jul 90

[Text] Reports from the Khmer People's National Liberation Front say that Heng Samrin troops, including hundreds of Vietnamese soldiers, set up positions in Stoung District [Kompong Thom Province] and arrested three people in the area.

Hundreds of Vietnamese troops, who helped retake the Stoung district position on 15 July, have set up positions there. On 16 July, Vietnamese-Heng Samrin troops rounded up people in (Sangkream) Village and took them to Kaoh Kantuy Kou in Stung Treng Province. Ten families escaped this roundup. On 17 July, Vietnamese-Heng Samrin troops arrested three people in Krabao Village, Duong ward, Stoung District, Kompong Thom Province: (Sieng), aged 40, male; (Tim Nguon), aged 55, female; and (Tim Khoeun), aged 27, female. We do not yet know the fate of these three persons.

On 20 July, Vietnamese-Heng Samrin troops twice fired BM-21 artillery pieces on nearby villages, killing two people and wounding 13 others; many cattle also died.

Khieu Samphan Sends Message to Philippines

BK2407100390 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 22 Jul 90

[Text] On 17 July, His Excellency Khieu Samphan, Cambodian vice president in charge of Foreign Affairs, sent a sympathy message to His Excellency Raul Manglapus, foreign minister of the Republic of the Philippines. The message reads:

Your Excellency: We are extremely sad to learn about the disastrous earthquake which happened near Manila causing great loss of life and property.

On behalf of the Cambodian people and the National Government of Cambodia and in my own name, I would like to convey to you and the Philippine people and Government as well as to the families of the victims our sincere and deep sympathy and condolences. We firmly believe that the people and Government of the Republic of the Philippines, under the leadership of Philippine President Corazon Aquino, will certainly prevail over the catastrophe.

Please, Your Excellency, accept my highest regards.

[Dated] 17 July 1990
[Signed] Khieu Samphan, Cambodian vice president in charge of Foreign Affairs

Mat Ly Receives Australian Senator 18 Jul

BK2207060190 Phnom Penh SPK in English 0408 GMT 22 Jul 90

[Text] Phnom Penh SPK July 22—Mat Ly, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee and vice chairman of both the National Assembly and the party Control Commission, received in Phnom Penh Wednesday Robert Hill, Australian senator, who was on fact-finding visit to Cambodia.

In their cordial talks, Mat Ly informed his Australian guest of the present situation in Cambodia, especially the activities of the Cambodian legislative body, he spoke of the goodwill stance of the party and government of the State of Cambodia in the quest of a political solution to the war in the country.

In reply, Robert Hill thanked the party and government of Cambodia for their warm hospitality and for helping him to better understand the real situation here. He said that when back home, he would inform the Australian Senate, government and people what he witnessed in Cambodia.

Mr. Hill, the Liberal Party's shadow foreign minister, also conferred Tuesday with Deputy Prime Minister Kong Sam-ol.

Mat Ly Receives German Red Cross Delegation

BK2107085390 Phnom Penh Domestic Service in Cambodian 1300 GMT 20 Jul 90

[Text] Comrade Mat Ly, member of the party Central Committee Political Bureau and vice chairman of the National Assembly and of the party Central Committee's Control Commission, received and had cordial talks on the morning of 19 July at the office of the National Council of the Kampuchean United Front for National Construction and Defense, with Mr. (Klaus Fritzman), head of a delegation of the Red Cross Committee of the Federal Republic of Germany and 18 Cambodian compatriots from the Federal Republic of Germany.

After welcoming the visit of the Red Cross delegation, Comrade Mat Ly informed the delegation of tragedies and old and new barbarous crimes committed by the genocidal Pol Pot-Ieng Sary-Khieu Samphan clique against innocent Cambodians and stressed the State of Cambodia's goodwill regarding a political solution to the Cambodian problem.

Mr. (Klaus Fritzman) expressed his joy over this visit to Cambodia during which he saw the progress made by the State of Cambodia and Cambodian people over the past over 11 years. He said that for his second visit, he would bring humanitarian aid from the German Red Cross and International Red Cross to help build a hospital in Samraong District in Takeo Province for the Cambodian people.

Party Paper on Strengthening of Militia Forces

BK230710[illegible]390 Phnom Penh Domestic Service in Cambodian 2300 GMT 22 Jul 90

[PRACHEACHON editorial: "Strengthen the Militia Forces To Enable Them To Attack the Enemy and Firmly Defend Villages and Communes Independently"]

[Text] Through tests and trials during 1989 and the first half of 1990, although the enemy has sought by all perfidious means and tricks to undermine our rebirth, thanks to the correct leadership of the party and state and to the sense of responsibility and self-reliance displayed by all levels and sectors of cadres, party members, and the general public, the situation in the localities has changed and developed for the better with each passing day while the enemy has suffered one setback after another.

The tests and trials of grass-roots forces, especially those of village and commune militia forces, have resulted in a strong local defense capability because district and provincial authorities have greatly enhanced guidance in building and consolidating both the size and quality of these militia forces.

Through the fighting activities of militia forces in the past, we have seen that many village and commune militia units have proven their mettle in attacking the enemy and protecting their localities.

We have built up advantages on the battlefield, cutting off the enemy to cause him greater difficulties. At the same time, our militia forces have contributed to the grass-roots consolidation and production efforts, bringing about stability to the lives of the people. We can cite the examples of militiamen of Kaoh Chiveang commune, Ek Phnum District; of Rumchek commune, Banteay Srei District; of Slar Kram commune, Thmar Puok District; of Phlov Meas commune, Ratanamondol District; of Snuol and Yeang communes, Kralanh District; of Sasar Sdam commune, Puok District; and so on, who are outstanding in attacking the enemy and in developing their units.

In Reviewing the work to strengthen and expand militia forces during the first half of 1990, we can see that our militia has grown in both size and quality. At the same time, we have been able to reduce to a certain extent all the negative phenomena while rapidly strengthening the leading factors at the village and commune levels. For instance, communes now have their own party chapters and core groups to lead them and to increase core forces within the militia forces. Besides combat activities, which remain close to production activities, our militiamen pay attention to training in order to further raise their technical and tactical standards, and they are engaged in political study in order to strengthen their ideological knowledge and enable them to clearly distinguish friend from foe, to fearlessly attack the enemy, and to prevent the enemy from slaughtering the people and looting their property with impunity.

Although we acknowledge the development of our militia forces, we notice that in some localities recruitment is carried out without paying much attention to the quality of militiamen, without linking them to the production work, and without adequate political and ideological training. Villages have not yet been organized into fighting units of the commune, that is units that are linked to the production efforts in the villages with a centralized system in the commune. In some areas, there are sufficient weapons, but their use is unsuitable, and the living conditions of the militiamen remain inadequate. A number of provinces and districts lack a proper inspection system toward the localities concerning the distribution of rice fields to militiamen.

In order to strengthen and expand our militia forces more vigorously in conformity with the current struggle, especially in order to contribute to strengthening the military and the all-around construction work, the party and authorities should concentrate on building and consolidating the village militia forces so they can defend their villages independently.

The setting up of militia forces should be kept close to production efforts in the spirit of strengthening the militiamen of villages in order to create combat-cooperation villages in a closely knit network throughout the commune; vigorously raise the fighting activities, especially independent fighting activities conducted by combat-cooperation village and commune militia units; and coordinate the fighting activities to provide each other with mutual assistance and support according to predetermined plans. In particular, there must be plans for cooperation between villages, communes, and districts in order to create battlefield superiority within the village, commune, or district territory.

In the work of strengthening militia forces, it is important most of all to raise their political quality, for the militiamen are the real forces in the localities and the core forces in whipping up the masses to participate in the attack against the enemy. It is imperative to establish plans to train militiamen according to predetermined programs. Commune authorities should create conditions for commune militiamen to engage in production to obtain food in addition to the rations supplied by the state so they can further improve their living conditions and provide assistance to needy families of militiamen. Only by so doing can we build militia forces capable of independently attacking the enemy, forces which are not afraid of the enemy, forces that are not fooled by enemy tricks, and forces that are resolute in firmly defending the villages and communes.

SPK on Opposition Losses in Kompong Thom

BK2407121890 Phnom Penh SPK in French
1120 GMT 24 Jul 90

[Text] Phnom Penh, 24 Jul (SPK)—During the first half of July, the people's Armed Forces of Kompong Thom Province dealt punitive blows to the Khmer opposition, particularly in the districts of Kompong Svay, Prasat Balang, and Stoung.

On 7 July, they launched a mopping-up operation against enemy troops in Kompong Svay District, killing 35 on the spot and capturing 23 others.

On 8 July, 30 enemy soldiers were killed in Dong commune, Kompong Svay District.

On 10 and 14 July the people's forces in Prasat Balang District put out of action 35 Khmer troops, including 31 killed, and seized some arms and ammunition.

On 15 July, the provincial forces completely recaptured Stoung District. They killed or wounded many reactionary Khmer soldiers.

SPK Reports Enemy Casualties in Kompong Cham

BK2207061790 Phnom Penh SPK in English
0411 GMT 22 Jul 90

[Text] Phnom Penh SPK July 22—In the first six months of this year, the Armed Forces of Kompong Cham Province, 124 km northeast of Phnom Penh, in close cooperation with government forces at the western border, annihilated 225 enemy troops, wounded 330 and captured 20 others.

They also seized 94 fire-arms, 27 tons of ammunition and a good quantity of war means.

In the meantime, the government forces in Kompong Cham Province also killed 200 enemy troops, wounded 144, captured 68, and forced 288 others to surrender. They seized 264 guns of various calibers and a number of other war materials.

SPK Reports Rice Production Throughout Country

BK2207061390 Phnom Penh SPK in English
0416 GMT 22 Jul 90

[Text] Phnom Penh SPK July 22—Up to early July this year, peasants throughout the country had tilled 253,000 ha [hectares] of land, of which 102,000 ha by tractor, transplanted rice-seedlings and grown rice without transplanting on 156,500 ha, achieving 7 per cent of the total area marked off for this monsoon season.

As a result of the good preparations by the peasants and early rainfalls in a number of localities, ploughing has been done at a quicker pace than the last season.

The largest rice growing area is the province of Banteay Meanchey with 47,500 ha, then come the provinces of Kompong Thom, Battambang and Takeo, each with 17,500 to 28,500 ha.

Besides rice, they have also grown industrial and subsidiary food crops on 62,000 ha.

Last year, Cambodia put 1,787,735 ha under rice or 99 per cent of the plan.

The economy of the country is based mainly on rice production.

Indonesia

Armed Forces Commander Meets Thai Counterpart

BK2507091790 Jakarta Domestic Service
in Indonesian 0600 GMT 25 Jul 90

[Text] Armed Forces Commander General Try Sutrisno received a courtesy call from Thai Supreme Commander General Sunthon Khongsomphong and his entourage in

Jakarta yesterday. A press release from the Indonesian Armed Forces Information Service said that the Thai visitors are scheduled to end their visit today. Gen. Sunthon is in Jakarta to introduce himself as the new Thai supreme commander as of April 1990.

During the one-hour talks, Armed Forces Commander General Sutrisno briefed the Thai general on the history, role, and growth of the Indonesian Armed Forces, including its dual function in society and its participation in national politics and economic development.

KOMPAS on Pacific Basin Forum Proceedings

BK2407114790 Jakarta KOMPAS in Indonesian 12 Jul 90 pp 1, 5

[Excerpt] Jakarta, KOMPAS—The presence of U.S. forces in Asia is important for efforts to safeguard stability and security in the region. Therefore, it is for ASEAN's benefit to urge the United States to maintain its presence. If the U.S. presence indeed has to be reduced, it must be done in stages and gradually. A drastic reduction will provoke countries in the region to boost their military capability.

These remarks were made by General Alexander Haig (retired), former U.S. secretary of state, and Brigadier General Lee Hsien Loong (reserve), Singapore trade and industry minister, at the Indonesian Forum panel discussion at Jakarta's Borobudur Hotel on Wednesday [11 July]. Meanwhile, General L.B. Murdani (retired), defense and security minister, declined to comment on the importance of the U.S. presence for countries in this region. He simply said: "I do not know what is on the minds of the ASEAN people. What is certain is that Indonesia does not and will not allow its territory to be used by foreign forces." The three generals attended the panel discussion entitled: "Political and Economic Challenges in the Pacific Basin" with former U.S. Ambassador to Indonesia John Holdridge as moderator.

At the panel discussion, which proceeded in a relaxed and humorous manner, Brig. Gen. Lee Hsien Loong (reserve), better known as BG Lee, said that the United States has been a dominant military force in Southeast Asia for several decades. The U.S. presence is not a regrettable side effect of the superpower rivalry because it has made a great contribution to regional stability. "The presence of U.S. forces has been responsible for maintaining peace in the region and has enabled the Southeast Asian countries to concentrate on economic development," he said.

BG Lee also stressed that in the absence of the U.S. forces or other dominant military forces in the region, Southeast Asian countries would turn their attention to building up their military capability. This situation will easily give rise to misunderstanding and friction among these countries, which will in turn lead to uncertainty and instability. "If there is a drastic withdrawal of the U.S. forces from the region, Japan will drastically boost its defense spending. India, Vietnam, and other countries will also increase their military clout. If that happens, I may have to seek the help of Pak Benni [Gen. Murdani] so we can cope with the situation together," said BG Lee, laughing, joined by L.B. Murdani and the audience.

While Alexander Haig, a former NATO commander, shared BG Lee's views, L.B. Murdani made a cautious comment: "I agree with BG Lee," he said, without specifying with which part of BG Lee's views he agreed. In this connection, the defense and security minister stressed the importance of developing national and regional resilience to cope with various possible events in the wake of a U.S. withdrawal from the region.

Alexander Haig hinted at the possible reduction of U.S. forces in Asia in the paper he presented on Tuesday. In his paper, he said that economic rivalry and the abatement of the cold war with the Soviet Union will make the United States review its role in Asia. BG Lee also mentioned the same matter.

When Alexander Haig, who said he felt freer to speak because he no longer held any official post, discussed the impact on ASEAN countries of the Indian Navy's increased role in the Indian Ocean, Murdani jokingly said: "We are not the ones who roam the Indian Ocean. It is the United States and the Soviet Union that do that. Therefore, it is better to discuss it with them." Similar to Murdani, BG Lee did not openly comment on Haig's presentation.

Asked whether Singapore's offer to provide repair facilities to U.S. aircraft and ships will be accepted by other ASEAN countries, BG Lee said: "As far as I know, ASEAN leaders such as President Suharto and Malaysian Prime Minister Mahathir do not object to such an offer because we are only offering repair facilities, not military bases." [passage omitted]

Laos

Kaysone Phomvihan's Financial Conference Speech

BK2207114190 Vientiane PASASON in Lao 30 Jun 90 pp 1, 3

[Fourth and last installment of Part III of speech by Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party Central Committee and chairman of the Council of Ministers, delivered at the first nationwide financial conference in Vientiane on 20 June; for third installment of Part III, see page 48 of the 24 July East Asia DAILY REPORT]

[Text] The policy to adjust income in a reasonable manner is aimed at increasing the productivity and efficiency of economic development to make it a mainstay for improving the living conditions of the people and promoting social justice among them. To put this principle into practice, the following measures must be implemented:

1) Measures To Increase the Number of Revenue Sources

—In increasing the number of revenue sources, first of all we must increase the number of jobs on the basis of the comprehensive utilization of all capital sources aimed at expanding production. For example, we must expand raw materials processing industries to produce numerous kinds of goods for export. These industries require a large number of production forces, are capable of generating considerably high earnings, and constitute our country's strength in competing for foreign markets. We must vigorously promote the family economy regarding the production of handicraft items which are much needed by the markets to increase both the number of jobs and revenue sources.

—We must mobilize all laboring people to practice thrift so that they can deposit their surplus income in banks or buy government bonds and invest in production enterprises to increase income from bank interest and from the profits they earn from the various enterprises in which they have shares.

—We must upgrade and improve the salary-paying mechanisms, increase earnings of all business enterprises and economic organizations by increasing both the responsibilities and benefits of producers, reorganize production forces, and create an impetus for increasing work productivity and the level of business efficiency so that more income can be generated.

—From now until the end of the year, we must strive to implement the new salary system, which has already been announced, in a complete and timely manner and to correctly pay overdue salaries to cadres, state employees in the technical and administrative apparatuses, and soldiers. At the same time, we must prepare to implement a new system and regulations governing the state apparatuses and organizations and the job description for "state employees" to restructure the state management apparatuses to make them simple, compact, but efficient; to reorganize cadres; and to create conditions for state employees to earn more income commensurate with their responsibilities defined in the job description. We must be determined to relieve non-essential personnel in the state apparatuses from their work and reassign them to other branches of work.

—We must vigorously carry out the work of consolidating and building the grass-roots infrastructure and promote social, education, cultural, and public health services to gradually improve the material, social, and cultural life of the people.

2) Measures in Adjusting Income

—Income adjustment must be linked primarily to income taxes. This can be achieved by classifying actual income into each particular category and level. Income taxes must be fundamentally useful in promoting and increasing the amount of legitimately acquired income and in gradually promoting social justice.

—The state must define the lowest level of income for state employees who are still in service and other necessary incomes which must be guaranteed by the state itself. It must pay special attention to the incomes of those who are targets of the social policy, such as retired personnel.

—The state must conduct a study to readjust the salary and wage system in the country and must ensure that salaries reflect the actual earnings of the population. Salaries must be readjusted to suit the new economic mechanism and new prices. Domestic labor markets must be gradually linked to international labor markets.

—Funds must be created to underwrite unemployment problems created by economic factors among state employees who are laid off and become unemployed labor forces from various mass organizations (for example women's, youth, and trade unions). Similar funds must be created in other economic organizations based on the various regulations stipulated in the business and bankruptcy laws.

3) Measures To Determine Prices in the National Finance Policy

Pricing is a component of the tools of the macroeconomic management system. It is also an important tool in the functioning of the micro-economy. The fluctuation of prices will create a direct impact on the life of the society. Pricing also creates much impact on balancing value in the open-end production process. Thus, it also creates an impact on the national finance policy.

Since 1988, the policy on pricing has undergone a basic change. The state-financing pricing mechanism has now been abolished. In certain important sectors in the economic domain of our society, a new pricing mechanism has been set up and is being gradually upgraded and consolidated. The new pricing policy has contributed to countering inflation, stabilizing and expanding the economy, vigorously promoting export, and, especially, creating a new change in the economic mechanism by encouraging it to advance and enter a more important period, for example transforming the entire movement of the micro-economy into business accounting economy with a sense of self-mastership and a sense of responsibility toward finance by itself in accordance with the marketing mechanism. Nevertheless, to fulfill the strategic objectives of the economy and the national finance policy in the new period of development, we must continue to remedy some defects in the pricing policy as follows:

—We must continue to adjust prices of a number of commodities, which are not yet thoroughly rectified, such as the prices of electricity, some materials imported by the state, and fixed property of business enterprises, to more vigorously encourage the various business accounting mechanisms to become solely responsible for finance work by themselves while engaging in economic activities and to avoid the situation whereby administrative organizations fix selling and buying prices for business units.

I have heard that in some provinces, secretaries of the party committees and chairmen of the administrative committees have arbitrarily fixed the selling prices of timber, coffee, and cardamom for the business sectors under their jurisdiction. That is an outmoded practice which must be urgently rectified.

We must strictly adhere to the finance, monetary, and trading facilities in determining and controlling prices and gradually link domestic markets with foreign markets. If such a system on pricing ever exists, it will be very useful in compelling us to become more responsible for creating capital sources and to more efficiently utilize capital. At the same time, it will serve to broaden our capability to attract capital sources within the country as well as from outside by broadening our relations with foreign countries.

—Regulating prices is an objective of the national finance policy. At the same time, it is also the direct task of the pricing policy under the current economic circumstances in our country. The new economic mechanism demands that measures be adopted to regulate prices through appropriate goods-money markets. Thus, coordination among the finance, banking, and trading sectors to create a stockpile of essential goods (food grains and fuel oil), including money, in preparation to intervene in the markets to regulate prices is extremely important. Several issues concerning this cooperation need to be studied and discussed in the forthcoming nationwide trade conference.

Beloved comrades, finance work is an important fundamental factor in the economic management system. We begin to resolve finance problems on the basis of a fundamental new change in our appreciation of the situation in this region. This means that we are ushering this change into a decisive stage. The success or failure of this new change depends more or less on implementation of this finance policy. Therefore, I recommend that you, comrades, pay attention to thoroughly studying and discussing the following issues:

1) On the basis of our understanding of the new attitudes and the scope, role, and duty of the state finance policy as a tool in the system of macro-management, we must realize that the finance policy, the money credit policy, and the pricing-revenue policy are our principal policies.

We must rely on our new understanding and new thinking to clearly analyze the role, duty, and mechanism of the state finance (budgets) and the enterprise finance (otherwise called 'business finance'). We must clearly analyze the relations between finance and the banks and between finance and money credit.

2) We must clearly understand the organization and activities of the state budget system, including the revenue and expenditure in the budget, the centralized and unified management of the budget, and the system of inspecting the state budget. With regard to the organization of the state budget, the finance mechanism must be reorganized from the center down to the local levels. The unified tax department and the treasury department must be set up. The finance inspection system must be upgraded. The economic regulations and laws must be enacted. The economic courts must be set up to study problems and to mete out clear-cut and just verdicts.

3) We must clearly study problems regarding the salaries of cadres and state employees in the national defense and public security maintenance, cultural, educational, and public health fields as well as in the mass organizations.

4) We must clearly study the role of the finance policy toward the state and private economies and settle the problems of ownership on the basis of the principle of equality, justice, and efficiency and the problems on the management and utilization of aid funds and loans.

5) We must spell out the details of the regulations and working system in the finance management and finance cadre work in our country—both for the immediate future and on a long-term basis.

6) We must organize sessions for cadres, party members, and economic management cadres at various levels and in all branches to study and to appreciate the party and state finance policy. This is because the finance policy is a major policy related to the rights, interests, and obligations of all economic, political, and social organizations and the masses. Therefore, if we fail to completely appreciate this policy, adverse effects will be created in the process of organizing and guiding its implementation.

Beloved comrades, to successfully implement the new finance policy, we must earnestly manage the new economic mechanism. In the immediate future, we will encounter numerous obstacles, difficulties, and complexities. But we have no other path to lead our country to advance toward the new period of development at a quicker pace, thereby fulfilling our political duty toward the party, the country, and the people. Therefore, it is urgently requested that all cadres and party members resolutely abandon the old way of thinking, unite more closely with one another, enhance the spirit of self-reliance and building strength by themselves, enhance a sense of creativity, try to engage in study, and remain faithful to the common revolutionary cause. With such a strong sense of determination, I believe that our party and people will be able to overcome all difficulties, obstacles, and complexities, thereby carrying the cause of restructuring to compete victory.

I wish you, comrades, good health.

I hope that this conference will be crowned with brilliant success.

Nouhak Phoumsavan Leaves for Visit to Vietnam

BK2307101890 Vientiane Domestic Service in Lao 0500 GMT 23 Jul 90

[Text] This morning, Nouhak Phoumsavan, chairman of the Supreme People's Assembly [SPA] of the Lao People's Democratic Republic, left Vientiane for an official friendship visit to the SRV at the invitation of Le Quang Dao, chairman of the National Assembly of the SRV. This is the first time that Nouhak Phoumsavan has paid a visit to the SRV as chairman of the SPA. The visit is aimed at taking lessons on the establishment of the draft constitution and laws.

SPA Chairman Nouhak Phoumsavan was seen off at the airport by Sali Vongkhamsao, vice chairman of the Council of Ministers; Thongsing Thammavong, vice chairman of the SPA; and Sisavat Keobounphan, chairman of the Vientiane municipal administration; along with a number of SPA members and other cadres concerned. Nguyen Xuan, ambassador extraordinary and plenipotentiary of the SRV to Laos, was also on hand to see Nouhak Phoumsavan off at the airport on this occasion.

Phoun Sipaseut Meets Outgoing Bulgarian Envoy

BK2407073490 Vientiane Domestic Service in Lao 0000 GMT 21 Jul 90

[Text] Phoun Sipaseut, member of the Lao People's Revolutionary Party Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of foreign affairs of the Lao People's Democratic Republic, yesterday afternoon received a courtesy call from Mrs. Lilyana Ivanova Vasileva, ambassador extraordinary and plenipotentiary of the People's Republic of Bulgaria to Laos, who took leave of Phoun Sipaseut after the completion of her diplomatic tenure in Laos.

On this occasion, the guest and the host talked with each other about the relations and cooperation between Laos and Bulgaria in the past as well as in the present. Phoun Sipaseut expressed thanks to Mrs. Lilyana Ivanova Vasileva for her contribution to the increasing development of the relations and cooperation in various fields between Laos and Bulgaria for the benefits of the peoples of the two countries.

Kaysone Phomvihan Greets Afghanistan Leader

BK2107053390 Vientiane Domestic Service in Lao 0000 GMT 20 Jul 90

[Text] Recently, Comrade Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party [LPRP] Central Committee, sent a greetings message to Comrade Najibullah, chairman of the Central Council of the Homeland Party of Afghanistan, Kabul. The message reads as follows:

On behalf of the LPRP Central Committee and in my own name, I would like to convey warmest salutations and greetings of friendship and comradeship and best wishes to you, comrade, on the occasion of your appointment as chairman of the Central Council of the Homeland Party of Afghanistan.

We highly assess your devotion and contribution to the revolutionary cause of Afghanistan and your resolute efforts in settling various difficulties to lead the country to march forward to achieving national reconciliation—the aspiration of the entire people—and to bring about peace to the country, which will thus result in creating favorable conditions for the building of an advanced and prosperous country.

May the relations of fraternal friendship and close solidarity between our two parties and two peoples of Laos and Afghanistan be increasingly developed and strengthened with each passing day! I wish you, comrade, good health and glorious success in performing your noble, honorable tasks.

Philippines

Seven Men Linked to Coup Attempt Released

HK2507084990 Manila PHILIPPINE DAILY INQUIRER in English 24 Jul 90 p 6

[By Christine O. Avendano]

[Text] The Air Force yesterday released from eight-month detention seven enlisted men suspected to have participated in the failed December coup for lack of evidence.

Released from the Villamor Air Base Detention Center were T/Sgts [Technical Sergeants] Rodolfo Difontorum, Dioniso Buyan and Roberto Sua, S/Sgts [Staff Sergeants] Roberto Montillano, Romulo Comia and Sgt. [Sergeant] Rolando Badong, all formerly with the 15th Strike Wing at Sangley Point, Cavite; and Airman Luis Manalo, formerly with the 2d Air Division in Mactan Air Base, Lapu Lapu City. PAF [Philippine Air Force] Provost Marshal Col. [Colonel] Leo L. Olegario, who endorsed their release to higher authorities, said no prima facie evidence was found against them by the Armed Forces special investigations team which conducted the probe. The seven were suspected to have participated when rebel soldiers took over Sangley Point and Mactan Air Base where they were detailed.

Senator Urges Cease-Fire With Communist Rebels

HK2507103190 Manila Radio Veritas in Tagalog 0800 GMT 25 Jul 90

[Italicized portions in English]

[Text] Senator Wigberto Tanada today filed a resolution urging President Corazon Aquino to declare a nationwide cease-fire, particularly vis-a-vis the National Democratic Front-Communist Party of the Philippines-New People's Army [NDF-CPP-NPA].

[Begin Tanada recording in progress] ...worsening political, economic, and social problems. Some of these are related to the proposed resolutions which we will tackle here. In my view, we should submit a resolution before the Senate seeking to make progress toward national peace.

The General Command of the NPA has declared a unilateral cease-fire in earthquake-devastated areas, as well as in Metro Manila. According to the NPA's General Command, *in this time of national tragedy, we must face with courage, as one people, our collective losses and take stock of ourselves.* Many cause-oriented organizations are behind our [words indistinct]. The church, youth, peasants, workers, and others have offered to help the government achieve national peace.

In this connection, on 17 July I received from Mr. Satur Ocampo, recognized spokesman of the NDF-CPP-NPA, a letter. *And I am quoting him now:* We support your position and that of other senators for negotiation of a treaty of friendship, trade, and cooperation which will underscore the equality of the two countries, as well as fully highlight the independence and sovereignty of the Philippines. The Mutual Defense Pact and the military assistance agreement, which are both unjust to our country, should also be terminated.

We recall that Sen. Juan Ponce Enrile also called for the termination of the Mutual Defense Pact.

According to Mr. Satur Ocampo's letter, *and I am quoting him:* We remain convinced that if the U.S. military bases are removed and our position on Philippine-U.S. relations is upheld, that is, putting an end to the neocolonial relations in a formal treaty as a first step, the way will be paved for speedier resolution of the political and armed conflict between the Aquino government and the forces under the National Democratic Front. Our aspirations for peace and justice can be realized through serious talks and negotiations. [end recording]

Further on Efforts To Aid Earthquake Victims

Rebels Can Aid If Surrender

HK2307125990 Quezon City Radyo ng Bayan in Tagalog 0900 GMT 23 Jul 90

[Text] The government is in favor of using the military and communist rebels in providing assistance to the earthquake victims. Defense Secretary Fidel Ramos said the rebels must first surrender to the authorities. Ramos added that this is the right time for the rebels to help in rebuilding the nation. He said the rebels who participate in the relief operations will be included in the government's amnesty program. However, Ramos stressed the government should thoroughly study the amnesty it would grant to rebel soldiers like Honasan.

House Approves Recovery Bill

HK2407021690 Manila MANILA BULLETIN in English 24 Jul 90 pp 1, 21

[By Rod L. Villa]

[Excerpt] The House of Representatives approved in record time last night the P10-billion [Philippine pesos] earthquake recovery fund bill, and the Senate declare it will do as well today.

Speaker Ramon V. Mitra, Jr., wielding the gavel, moved House bill 31448, authored by Rep. [Representative] Rolando Roda Andaya (LDP, [Struggle of Philippine Democrats] Camarines Sur), chairman of the appropriations committee, smoothly through third and final reading saying, "Time is of the essense in avoiding further tragedy and deterioration" in the wake of the July 16 killer earthquake. Andaya said the measure mandates the specific disbursement of P10 billion by the National Treasury for aid, relief, and rehabilitation services to the people in areas affected by the quake.

The bill authorizes the President to determine projects and activities to be supported by the fund and to rush the repair and reconstruction of permanent structures and facilities through negotiated contracts. The House voted to set aside rules rushing approval of the measure and Senator Neptali Gonzales, chairman of the Senate finance committee, said the Senate will do the same, to speed up its signing by President Aquino into law. President Aquino, clad in beige "baong," was flanked by Mitra and Salonga on the rostrum to set the tone for unity in moving to heal the wounds and repair the damage caused by the earthquake. [passage omitted]

Editorial Hails PAP Proposal

HK2507025190 Manila MANILA BULLETIN in English 25 Jul 90 p 6

[Editorial: "Encouraging Sign"]

[Text] It is an encouraging sign that U.S. Ambassador Nicholas Platt has suggested that PAP (Philippine Assistance Program) funds may be used to help the Philippines recover from the destruction and suffering caused by the killer earthquake of July 16.

As indicated by U.S. Embassy spokesman Stanley Schrager, the United States will undertake to secure agreement to the suggestion by nine donor countries, eight other donor countries, and nine multilateral institutions, led by the World Bank. The Philippine government should feel relieved at the prospect of speedy and effective recovery. The PAP funds are ready for use. There is no visible way of securing relief funds in an quick and massive order. Help extended to stricken areas and their inhabitants dovetails with the administration's overall program of national economic recovery and social rehabilitation.

It is useful to take into account that diversion of PAP funds for relief and reconstruction does not go against the grain of PAP. Actually, there are other sources of funding for relief and reconstruction within the context of Philippine-American relations, which the Philippine government would do well to tap. For instance, facilities for paramedic services can be secured through the U.S. Military Assistance Act. The Philippines should not hesitate to avail of every help made possible by our relations with friendly countries around the world. This is practical, pragmatic, and tenable.

Further on Efforts To Alleviate Foreign Debt

Aquino Favors Moratorium

HK2507084590 Manila Manila Broadcasting Company DZRH in Tagalog 0700 GMT 25 Jul 90

[By Dick Sinchongco from Malacanang Palace]

[Excerpt] President Corazon Aquino is in favor of a proposal for a foreign debt moratorium provided it is approved by creditor banks. This was announced by Presidential Spokesman Adolf Azcuna as he clarified a statement by Finance Secretary Jesus Estanislao about negotiations with foreign creditor banks on proposals for a debt moratorium.

At the same time, Azcuna revealed that the country will seek debt relief measures more generous than the earlier ones granted by creditor banks. He also stressed that the president is open to suggestions on ways to ease the country's debt burden in the face of the situation created by the killer earthquake. The president made the clarification after Congress moved to suspend payment of the country's foreign debts in view of the destruction wrought by the killer earthquake.

The president stated that such a move should be negotiated with creditor banks instead of a unilateral suspension. The president is opposed to any drastic means which would destroy the country's good standing with foreign creditor banks.

Earlier, Estanislao said that the government has already advised foreign creditor banks of its request to suspend foreign debt payments in view of the calamity confronting the country. [passage omitted]

House Passes Repayment Freeze

HK2507025790 Manila MANILA BULLETIN in English 25 Jul 90 pp 1, 14

[By Rod L. Villa]

[Text] The House of Representatives voted last night to suspend for 30 months of the repayment of the foreign debt, and use the sum—amounting to no less than P84 billion [Philippine pesos]—to hasten recovery from the recent earthquake.

The lawmakers engaged in sharp debates up to a late hour to consolidate at least four proposals—ranging from outright repudiation to unilateral suspension—and settled finally on an appeal to the sympathy and understanding of foreign creditors. They left the mechanics of implementation to the Executive Department, with the admonition that it adhere to the sense of urgency for reconstruction and rehabilitation requiring huge financial outlays and the spirit of global sympathy for the devastation.

Steered by Speaker Pro Tempore Antonio V. Cuenco (LDP [Struggle of Philippine Democrats], Cebu city), the the session consolidated into one the resolutions filed by Rep. [Representative] Rolando Roda Andaya (LDP, Camarines Sur), chairman of the appropriations committee; Rep. Jose de Venecia (LDP, Pangasinan) head of the foreign relations committee; Rep. Amado Bagatsing (LDP, Manila); and Rep. Edcel Lagman (LDP, Albay), head of the agrarian reform committee. They took congnizance of apprehensions voiced by De Venecia, reflecting the position of President Aquino, that a unilateral move would boomerang on the already devastated national economy, just as it brought Peru to its near ruin when such a drastic measure set off a 500 percent inflation and widespread civil disobedience and rioting.

De Venecia, assisted by Rep. Margarito Teves (LDP, Negros Oriental), economic affairs committee chairman, said the House sentiment to ease the burden of the foreign debt, whose repayment consumes more than a third of the national budget, is not swept aside by a cautious approach in suspending the external debt servicing. Andaya had earlier urged approval of his resolution calling for a two-year moratorium, stressing that this should not in any way be interpreted as reneging on or repudiating the payments.

The Bagatsing brothers said the reconstruction and rehabilitation program requires huge outlays far beyond the capacity of the annual budget to absorb, and the limited resources must be devoted to the immediate reconstruction and the alleviation of the sufferings of the people as a matter of highest priority for national survival. The lawmakers pointed out the Philippines never reneged on its obligations to creditors despite difficulties and crises and that the July 16 catastrophe was of such magnitude that critical and extraordinary measures are imperative.

Humanitarian considerations, they said, as well as a frank and sincere appeal at this hour of extreme need should be elicit utmost understanding and sympathy from the creditors and friends of the nation. With the measure out of the way, Speaker Ramon V. Mitra Jr. said the House will resume today plenary action on the long-pending Local Government Code.

Other developments in the House:

1. Mitra warned of drastic cuts in the budgetary requests of executive departments and other state agencies that have not performed well in the universal call for speedy succor to the earthquake victims.

2. Rep. Wilfredo Cainglet (LDP, Zamboanga) and Rep. Consuelo Putat-Reyes (LDP, Makati), bewailed what they said were extensive pilferage, theft, and diversion of multi-million-pesos donations and tons of relief goods, from receiving points, in transit, and at dispersal areas in the devastated communities.

Sectoral Rep. Al Ignacius Lopez for youth called for the mobilization of the nation's young men and women to assist in speeding up delivery of cash and goods, and monitor their dispersal to the victims, using their energy and idealism to combat "this despicable vulturism of the hapless and helpless earthquake victims."

3. A spate of resolution was submitted and quickly approved expressing the concern and sympathy of Congress for the victims of the calamity and all 199 House members donated a month's salary, totalling P3.3 million, as cash assistance for the victims.

Indicator Shows 98 Percent Trade Gap Increase

HK2507032890 Manila BUSINESS STAR in English 25 Jul 90 p 2

["Indicator" column: "RP [Republic of the Philippines] Trade Gap with ASEAN Expands by 98% in 1st Five Mos."]

[Text] The country's trading gap with its neighbors in the Association of Southeast Asian Nations (ASEAN) expanded by a hefty 97.8% to $195.354 million during the first five months this year from $98.789 million during the same period last year.

According to the National Statistics Office (NSO), the deficit's expansion came as the country imported more from ASEAN than it exported. Philippine imports from the ASEAN, the NSO said, reached $437.254 million during the period, 33% more than the $327.5 million that was incurred last year. The increment, the NSO said, easily demolished earnings from exports which grew by a much slower 5.8% to $241.9 million this year from $228.7 million last year.

On a country-to-country basis, the Philippines incurred balance of trade deficits with all but one of its ASEAN partners during the period. The exception was Thailand trading with which favored the Philippines with a surplus of $13.7 million. This, however, was a small consolation since this year's figure is very below the surplus of $45.7 million which the country earned from Thailand last year. The surplus with Thailand was the result of Philippine exports to that Indo-Chinese nation of $72.9 million surpassing imports, which totaled only $59.2 million.

Deficit-wise, the largest incurred by the country was with Singapore. From January to May this year, Philippine procurement of merchandise goods from that island-state made it shell out a total $204.8 million in foreign exchange payments. This accounted for the bulk or 46% of the country's aggregate import expenditures in the region. The second largest trading deficit during the period under review was with Indonesia, at $46.1 million, the result of imports from this country reaching $70.454 million and exports lagging at $24.410 million. The shortfall was 330.7% bigger than the year-ago level of $10.69 million.

Other deficits were with: Brunei, at $30.098 million or 173.2% more than last year's $11.019 million; Malaysia, at $26.5 million or 90./9% more than last year's $13.882 million.

The ASEAN absorbed 7.4% of the Philippine's total exports during the period. This, even as it supplied 9% of the country's total import requirements. Principal Filipino exports to ASEAN include: food and live animals chiefly for food; food and food preparations; cereals and cereal preparation. The country also exports industrial manufactures such as electronics, construction materials and metal manufactures to the region.

Thailand

Sitthi Says Khmer Rouge Should Be in Formula

BK2407024190 Bangkok BANGKOK POST in English 24 Jul 90 p 3

[By Phonphimon Kanchanalak in Jakarta]

[Text] Thailand stresses that the Khmer Rouge must not be left out of any peace formula for Cambodia.

In his address to the ASEAN Ministerial Meeting Sitthi Sawetsila put across a strong message on the need to include all Cambodian factions to achieve self-determination for the Cambodian people through free and fair elections. "There must be equal opportunity for every Cambodian who seeks to stand before the judgement of the people. To deny any Cambodian such a right would make a mockery of the call for self-determination and show contempt for the people of Cambodia," Minister Sitthi told the meeting.

The statement reflects the Thai Government's position on the recent shift of US policy on Cambodia.

ACM [Air Chief Marshall] Sitthi also expressed thanks for Japan's contribution to a Cambodian political settlement saying that the Tokyo communique had succeeded in linking a voluntary ceasefire to establishment of a Supreme National Council and had called for the early reconvening of the Paris Conference on Cambodia. ACM Sitthi said Tokyo's efforts had laid the groundwork for a comprehensive political settlement.

Despite strong opposition by some ASEAN members to the results of the Tokyo meeting, Thailand managed to convince other ASEAN members to agree to acknowledge Japan's contribution to the Cambodia peace process, which will be reflected in a joint communique due to be released tomorrow.

Army Chief Briefs Units on U.S. Policy Shift

BK2407094590 Bangkok SIAM RAT in Thai
24 Jul 90 p 2

[Text] According to a report from the Royal Thai Army, Army Commander General Suchinda Khraprayun presided over a meeting of Army units at the 3d Army Region Headquarters, Phitsanulok Province on 23 July. He instructed unit chiefs, particularly those responsible for the Thai-Cambodian border, to increase their vigilance. He said that because the United States has shifted its policy on supporting the tripartite Cambodian resistance, Thailand, which is directly affected by the Cambodian conflict, must watch carefully for the impact of this policy change. This is because Thailand still upholds its former policy of supporting the tripartite coalition government of Cambodia.

Coverage of Outcome of No-Confidence Debate

Chatchai Says Reshuffle 'Inevitable'

BK2307015590 Bangkok BANGKOK POST in English
23 Jul 90 pp 1, 2

[Text] A senior Chat Thai Party member yesterday quoted Prime Minister [PM] Chatchai Chunhawan as saying a Cabinet reshuffle is inevitable but he needs time to consider the new line-up. "The Prime Minister said now that the Government has passed its first two years, a reshuffle is inevitable," said the source, a member of the Chat Thai Party administrative committee.

According to the source, Gen [General] Chatchai did not specify when or how the reshuffle would take place, but said he needed time to work it out. He added that the Prime Minister thinks a reshuffle following last week's no-confidence debate would make his Government more stable. The source said there has been a lot of talk during the censure debate that either the Democrat or the Social Action Parties would be dropped from the coalition and replaced by Puang Chon Chao Thai and Prachakon Thai. "The Prime Minister has the final say on this, but so far he has not made any indication," the source said.

One informed source said the PM's secretary-general Gen Wanchai Chitchamnong has met Puang Chon Chao Thai leader Gen Athit Kamlang-ek before the censure motion to discuss the party joining a new coalition government. Gen Wanchai was a former classmate of Gen Athit at the Army preparatory school.

Sources said the former Army chief was tipped for the deputy prime minister and defence portfolios if his 17-MP [members of parliament] party is included in a new government.

An aide to the Prime Minister said there were several formulas for the reshuffle but "it depends on the Prime Minister. If he wants his term to last the full four years, he may have to add more parties to the coalition to make it more stable."

A senior Democrat said yesterday he did not think the Democrats would be dropped from the coalition because its ministers had cleared up the charges made against them during the debate.

Chat Thai sources said its Yutitham (Justice) faction, led by former Justice Minister Sa-at Piyawan, has been pushing for an internal reshuffle to preserve party unity. However, MP Sa-at denied his faction of 28 MPs had been pushing for a reshuffle of Chat Thai's Cabinet members.

Chat Thai Party Secretary-General and Interior Minister Banhan Sinlapa-acha said yesterday he could not yet be sure there was a need to reshuffle the Cabinet. He also said he knew nothing of reports that former Army chief Gen Chawalit Yongchaiyut would be asked to rejoin the Cabinet.

Solidarity party secretary-general Chaloemphan Siwikon yesterday said he did not think the Prime Minister could oust any of the coalition parties because "they all know each other well." Puang Chon Chao Thai and Prachakon Thai Parties could simply be added to strengthen the coalition government, he said, "but then it would be just a parliamentary dictatorship."

A senior Prachakon Thai MP yesterday claimed that his party had been asked to join the coalition Government prior to the debate. The MP, who asked to remain anonymous, said the offer did not carry any guarantee that the party could be included in the coalition. He denied the offer had softened Prachakon Thai's attack on ministers during the debate.

The source said his party had not joined Solidarity and Phalang Tham MPs in boycotting the no-confidence vote on Saturday because they could not contact their leader, Samak Suntharawet, who expressed dismay later that they had joined the voting contrary to an agreement with the other opposition parties. "By the time we got in touch with him and knew we were supposed to boycott the vote, it was too late. We had already voted."

Twenty-two of the 31 Prachakon Thai MPs voted against the government, but Samak was absent, saying later he had got up late.

Other Opposition sources accused Puang Chon Chao Thai and Prachakon Thai of not joining their walkout in protest against the House Speaker on Friday nor the vote boycott because they wanted to join the Government. If the Opposition had been united, the boycott would have been a great embarassment to the Government, they said.

Puang Chon Chao Thai and Prachakon Thai MPs argued that it was more appropriate to stay to hear the explanations of the ministers they had accused.

Chatchai Says Group To Study Speeches

BK2207014990 Bangkok BANGKOK POST in English
22 Jul 90 p 3

[Text] Prime Minister Chatchai Chunhawan said yesterday he will form a working group to study the speeches of Cabinet members and Opposition MPs during the three-day no-confidence debate. Gen [General] Chatchai did not say when the group will be set up.

Asked if he would reshuffle the Cabinet after receiving the results of the study, he said, "Let's wait and see. I can't say anything about it now."

The Prime Minister said there were many questions raised by Opposition MPs [members of parliament] and answers given by Cabinet members to study. He did not say if Puang Chon Chaothai and Prachakon Thai MPs, which attended the vote on the censure motion yesterday, would be included in a new Cabinet lineup, but he thanked the leaders of the two Opposition parties. "It would not be democratic for House meetings to have only Government MPs attending," he said.

Gen Chatchai declined to comment on PM's Office Minister Chaloem Yubamrung's defiance of House speaker Pancha Kesonthong during the debate, saying the minister without portfolio belongs to Muan Chon Party, not his own Chat Thai Party.

During Friday's debate, the House speaker asked police Capt [Captain] Chaloem to withdraw his accusation that Solidarity Party secretary-general Chaloemphan Siwikon had evaded taxes, but the minister refused. When Mr Pancha repeated the request to no avail, the Opposition MPs staged a walkout. Gen Chatchai declared the matter closed, saying, "It's over. Don't bring up the past. Let's talk about tomorrow."

The Prime Minister said all accusations against Cabinet members should be backed up by proof. "They didn't have any evidence that my daughter's title deed in Pattaya was illegal. How could they make that charge in the first place?" he said.

Groundless accusations against Cabinet members would only demoralise them, Gen Chatchai said.

Meanwhile, PM's Office Minister and chief coalition coordinator Bun-ua Prasoetsuwan said the 220-38 vote had proved that the Cabinet is not corrupt. There are 229 Government MPs he said, the missing nine were either abroad or had taken sick leave. He said the Prime Minister had cleared all corruption charges lodged against ministers during the debate on Friday.

Foreign Minister and Social Action Party [SAP] leader Sitthi Sawetsila said he was satisfied with the way SAP ministers had defended themselves in the debate.

Editorial on Opposition Role

BK2107045190 Bangkok THE NATION in English 21 Jul 90 p 8

[Editorial: "A Foregone Conclusion"]

[Text] Today the House is to vote on whether the Chatchai Cabinet still has the confidence of a majority of the House members. The outcome is a forgone conclusion as the six parties in the government coalition have a commanding majority of 229 votes in the 357-member House. Whether people following the three-day debate have lost confidence in the Cabinet or any individual Cabinet member is another question. Interesting results would emerge if there were some means of gauging national public opinion after the debate.

The way some Opposition parties pulled their punches on the prime minister and most other Chat Thai ministers also raised serious doubts about their integrity and ability to serve as the people's watchdog.

Agriculture Minister Maj Gen [Major General] Sanan Khachonprasat, Democrat Party secretary general, once again was swarmed by corruption charges. Most of them were already raised by the Opposition in the previous censure against him last year. Also under strong attack were Commerce Minister Subin Pinkhayan and Deputy Interior Minister Santi Chaiwirattana of the Social Action Party. They, too, faced the same old charges thrown at them in last year's censure.

Education Minister Mana Rattanakoset, Ratsadon Party secretary general, was also criticized for his alleged incompetence and indifference to many of the problems in the national school system and in Buddhist religious circles for which the Education Ministry's Religious Affairs Department is responsible.

Interior Minister Banhan Sinlapa-acha, secretary general of the Chat Thai Party, was the only Chat Thai minister widely attacked during the censure. The Opposition spent about half of the session on the first day attacking him and his deputy Santi. On the second and third days, opposition MPs [members of parliament] sometimes touched on alleged wrongdoings in the Interior Ministry and held Banhan responsible. But apparently they didn't do any serious damage to Banhan's image. Even the voluble Prachakon Thai leader, Samak Suntharawet, chose to zero in on Communications Minister Montri Phongphanit instead of Banhan, his political arch-rival.

Finance Minister Pramuan Saphawasu, deputy Chat Thai leader, came through the censure without any difficulty because the Opposition was running out of time and his arch-rival MP Dusit Sophitcha spent only a few minutes touching on Pramuan's alleged wrongdoings and conspicuous wealth.

Also having a relatively easy time throughout the debate was Prime Minister Chatchai Chunhawan as none of the opposition parties seemed really determined to attack him, much less unseat him. The only tough question he faced concerned the controversial plot of land in Pattaya he bought for his daughter some 30 years ago. He showed documents in the House to clear himself and his daughter of any wrongdoings.

Though MP Chaloemphan Siwikon, secretary general of the Solidarity Party, had less than one hour to attack the Cabinet, his grilling of PM's [Prime Minister's] Office Minister Chaloem Yubamrung was enough to provoke the flamboyant minister to explode and hit back at

Chaloemphan with an accusation that he evaded taxes. Chaloem's refusal to retract the accusation despite the House Speaker's order for a retraction, finally triggered a walkout by most of the opposition MPs.

We will never find out for sure who told the truth during the debate and who lied. No opposition MPs could produce any "receipt" of bribe money or kickbacks—as demanded by the prime minister as corruption evidence. Some of them did name victims of corruption. Too bad they couldn't be brought to testify during the debate. This shouldn't prevent the Opposition from continuing to pursue their charges outside Parliament and bringing them to the attention of the Counter Corruption Commission.

Unfortunately, many opposition leaders may be too busy now lobbying for a part in a new Chat Thai-led coalition as the prime minister has long let it be known that he intends to reshuffle the Cabinet after the no-confidence debate.

Dailies Evaluate Debate

BK2107142690

[Editorial Report] Four Thai-language dailies, NAEO NA, MATICHON, BAN MUANG, and THAI RAT, on 21 July carry editorials on the just ended no-confidence debate against the Chatchai government called by the opposition parties.

NAEO NA's editorial on page 5, entitled "The Conduct and the Evidence," deplores the attitude of the government which often claimed that the opposition had no evidence to substantiate its charges, and that its attacks are just accusations which contain no truth. The editorial says such an attitude is not constructive. "The government leader and cabinet ministers, focused for the attacks, should take note of and investigate the charges against their ministries. They should clear up all suspicions afterwards instead of blindly protecting their subordinates," the editorial says. It meanwhile praises the prime minister who came up with prepared facts and documentation in responding to the opposition's charge of encroachment on public land by his daughter. The prime minister has set a good example in giving significance to the forum of the no-confidence session. The editorial calls on Chatchai to evaluate his cabinet ministers as a result of the debate.

MATICHON's editorial on page 8, entitled "Self-Determination Rights Under Democracy," hopes that the government will not remain idle after the vote of no-confidence is cast. Although it is certain that the government will survive the motion with its commanding majority in the parliament, facts and opinions during the debate should be considered more important than the voting count.

"The three-day debate should serve as a mirror for the government to improve its administrative performance. The opposition's attacks on individual ministers should be studied by the government leader, who will have to make a decision on a reshuffle with courage, under the principle of political etiquette. Any executive members who do not command the public's respect and confidence should be thus removed from office based on the guidance given by the opposition," the paper says, adding that the prime minister should seek to improve his administration with a sense of responsibility, not for the sake of his political future, but for the sake of a stronger society. BAN MUANG's editorial on page 2, entitled "The People Will Decide What Is Right and What Is Wrong," notes that the sessions, which continued late into the night, should have been better planned, with more days given to the opposition for debate and also for the government to make explanations. "The vote at the end of the session should not be taken as an indicator to judge the government's performance. The government stands to win as it holds a majority of support in the parliament. Winning or losing the vote is not an end in itself. What counts, from this debate, is the fact that the public will be able to judge by itself what is right and what is wrong," the paper concludes.

THAI RAT's editorial on page 3, entitled "Conscience Is Greater Than Victory," praises the opposition for having performed its duty most properly. Although the government stands to win, the opposition already scored a success in calling a no-confidence session to check the government's performance. This is a rare chance for the public to view members of parliament exposing the wrongdoings of individual ministers. The Interior, Foreign, and Agriculture Ministries are targeted for the attacks on incompetency, favoritism and greed. "We hope that Prime Minister General Chatchai Chunhawan will not overlook the flaws pointed out to him by the opposition, and will seek to get rid of them from his government," the paper says.

Board of Trade Discusses Pharmaceutical Patents

BK2407023390 Bangkok THE NATION in English 24 Jul 90 p 16

[Position paper by Thailand Board of Trade: "Patenting Vital for Research in Pharmaceuticals"]

[Text] Only a certain number of drugs on the market are under patent protection, whereas the rest of them are generic. In the countries with a relatively high technical development the market share of patented drugs is about 20-40 percent, whereas in a country like Thailand the market share of patented drugs is much less.

As soon as the Thai pharmaceutical industry can establish to investors that they will be granted product patent protection, the industry will be able to attract the capital required to engage in research on patentable pharmaceutical products.

At present, there is no economic incentive for a Thai company to engage in research and development of its own products with the accompanying result that there are no incentives for investment of capital in the Thai pharmaceutical industry and the Thai industry survives only by copying and importing those products developed by companies outside Thailand.

The levels of capital required to develop new pharmaceutical products are such that it is unrealistic to expect that the domestic Thai pharmaceutical industry will be able to raise the needed capital solely from revenue generated from the sale of pharmaceutical products developed in other countries. Initially, the needed capital must be generated from investors, the incentive for which will come from the potential independence of the pharmaceutical industry in Thailand and the greater return on newly developed products.

By developing their own pharmaceutical products, Thai pharmaceutical companies will be able to participate in a segment of the pharmaceutical business which permits a greater return (worldwide statistics show that the gross profit ratio on new products can be as high as 70-80 percent of sales, while the gross profit ratio for generic pharmaceutical products is typically limited to 30 to 50 percent of sales).

At present, the larger Thai pharmaceutical companies might be capable of engaging in research to develop new patentable pharmaceutical products, particularly in association with the universities.

One thinks of research directed to establishing the active ingredient of natural products. However, until product patents are granted, it is very unlikely that these companies will engage in this type of research and development with the result that the Thai pharmaceutical industry will be retarded. Once the incentive exists for these companies to engage in research and development, it is apparent that these companies will have the capability of doing so.

It should be emphasized that a strong pharmaceutical industry capable of developing new pharmaceutical products in Thailand or in any country will consist of a relatively small number of well-capitalized pharmaceutical companies. Thailand will not be able to push its pharmaceutical industry beyond formulation technology if the many small undercapitalized pharmaceutical companies are protected from competition.

The absence of patent protection for substance is the key disincentive to the development of new pharmaceutical products. After the product patent system is adopted, these companies will either merge to form larger companies or will be able to attract the capital necessary to grow and prosper. If they wish, they can profitably remain in the very large off-patent sector, as many generic companies do today in the industrialized world.

In addition to being unable to effectively compete in producing new pharmaceutical products, the fragmented and under-capitalized pharmaceutical companies that typify the Thai pharmaceutical industry often produce products which are low in quality. Inferior drug quality is caused by under-capitalized, imitating pharmaceutical companies which are unable to guarantee the necessary quality of their pharmaceutical products. These quality control problems generally do not exist in the healthy and adequately capitalized pharmaceutical industry which exists in those countries granting product patents.

Opponents of the adoption of a product patent system also state that such a patent system will result in a loss of foreign exchange because local manufacturers will be required to pay royalties to patent holders.

As long as the Thai pharmaceutical industry continues to lack incentive to develop patentable pharmaceutical products, the pharmaceutical industry will continue to engage primarily in the sale of products developed by foreign companies in the domestic market.

Due to a capital shortage created by a lack of independence and potential return on investment, new patentable pharmaceutical products will not be developed and, as a result, no possibility exists for the development of products both for export as finished products and for licensing as active substances in exchange for royalties payable in foreign currency.

Undoubtedly, the increased quality which would result from the adoption of a product patent system will also assist exports of products manufactured with foreign technology.

In short, any loss of foreign exchange from paying royalties to foreign companies will be more than offset by foreign exchange gained from royalties received from foreign companies and export sales if a healthy domestic pharmaceutical industry is allowed to develop.

The inferior quality of pharmaceutical products produced in Thailand, both real and perceived, is evidenced by the economic statistics on exports of pharmaceutical products from Thailand. Exports accounted for a remarkably small percentage of the total turnover of pharmaceutical companies. The adoption of a product patent system in Japan resulted in significant increases in export sales and foreign exchange earnings. In order to transform the Thai pharmaceutical industry into a net "earner" of foreign exchange, Thailand must engage in the development of new pharmaceuticals. In order to develop new pharmaceutical products, Thailand must adopt a product patent system.

It is important to emphasize that even if product patent protection is adopted now by Thailand, the competitive position of the Thai pharmaceutical industry will not be affected until the expiration of the more than 12-year period which is necessary to bring new patented pharmaceutical products into Thailand.

Furthermore, by value only eight percent of all pharmaceutical products are protected by patents at any given time. Thus, 92 percent of the market for pharmaceuticals would not be affected by the adoption of a product patent system.

If Thailand loses the advantage of lower labour costs to other less developed countries, a sophisticated pharmaceutical industry is precisely the type of "technology intensive" industry which Thailand must develop to continue its past success. This type of industry is particularly attractive since a successful pharmaceutical industry is dependent upon Thailand's most ample resource—a well-educated and industrious workforce.

A developed pharmaceutical industry is also attractive because it consumes little energy and raw materials and is relatively non-polluting. Furthermore, this type of industry develops a scientific infrastructure which increases Thailand's ability to both absorb and develop technology in related areas.

Vietnam

Ministry Prepares for Public Security Force Day

BK2307144390 Hanoi Domestic Service in Vietnamese 1100 GMT 23 Jul 90

[Text] In preparation for the 45th founding anniversary of the Vietnam People's Public Security Force, 19 August, the Ministry of Interior met with various news agencies and newspapers at the central level and in Hanoi this afternoon, 23 July. On behalf of the ministry's leadership, Comrade Lieutenant General Pham Tam Long, member of the party Central Committee and deputy minister of interior, presided over the meeting.

Assessing past activities in maintaining public order and security, Comrade Pham Tam Long said: Over the past six months, although the situation regarding political security and public order and safety has developed in a complicated manner, led by the party committees and the administration at various levels, supported by various sectors and mass organizations, and assisted by the people, the public security force has attained remarkable achievements in the maintenance of political security, has improved the situation regarding public order and safety, and has further consolidated the people's confidence. This has been especially proven by the results of various crackdowns on criminals conducted in accordance with the Council of Ministers' Directive 125.

The comrade deputy minister commended the positive assistance given by various news agencies and newspapers in the past.

In the period ahead, to mark various major anniversary celebrations in a practical manner, including the 45th founding anniversary of the people's public security force, Comrade Pham Tam Long suggested that news agencies and newspapers continue to strengthen and assist the public security force. The comrade emphatically pointed out various propaganda requirements, including continuing to spread propaganda on the implementation of the Council of Ministers' Directive No. 135; continuing to launch crackdowns on and deliver powerful and accurate blows to those ringleaders of economic crimes; continuing to fight corruption; and continuing to step up the popular movement to safeguard the fatherland's security by promoting a sense of mastery and self-imposed discipline among the masses in the struggle against criminals and social vices, especially in efforts to encourage and persuade criminals to surrender.

Along with cracking down on criminals, the public security force must further step up the movement for revolutionary action in accordance with Uncle Ho's six teachings for building itself into a comprehensively steadfast unit. The public security force at all levels must pay attention to organizing the study of typical progressive models, regarding this as a nucleus for pushing ahead the movement to foster the traditional militancy built up by the people's public security force over the past 45 years. On this basis, efforts must be made to enhance the close relations with the people in order to better serve the struggle to preserve national security and safeguard public order and safety in the new situation.

Le Quang Dao Attends Control Sector Ceremony

BK2507051590 Hanoi Domestic Service in Vietnamese 1100 GMT 24 Jul 90

[Text] The people's control sector held a ceremony in Hanoi yesterday, 23 July, to mark its 30th founding anniversary. Attending the ceremony were Comrade Le Quang Dao, vice chairman of the Council of State and chairman of the National Assembly; Comrade Hoang Quoc Viet, honorary president of the Vietnam Fatherland Front [VFF] Central Committee and former chief procurator of the Supreme People's Organ of Control; Comrade Pham The Duyet, secretary of the party Central Committee and secretary of the Hanoi Municipal Party Committee; and many comrade leaders of various organs, sectors, and mass organizations at the central level and in Hanoi.

Addressing the ceremony, Comrade Tran Quyet, chief procurator of the Supreme People's Organ of Control, highlighted the efforts and achievements of the control sector during the past 30 years. He said:

The people's control sector has overcome all difficulties and hardships and has striven to fulfill its functions and tasks, thereby making positive contributions to safeguarding the socialist regime and the right to mastery of the laboring people. In its operation, the sector has attached importance to ensuring the socialist legal system in socioeconomic management and state management, thus helping to significantly achieve all political and socioeconomic targets of the party and state in each revolutionary stage.

Thoroughly understanding the viewpoint concerning renovation of the sixth party congress, the people's control sector has also focused its activities on serving the three major economic programs by supervising law enforcement among a number of key economic sectors such as grain, agricultural materials, and consumer and export and import goods.

Vo Chi Cong Visits Ward in Ho Chi Minh City

BK2307113190 Hanoi Domestic Service in Vietnamese 0500 GMT 23 Jul 90

[Text] On 22 July, Council of State Chairman Vo Chi Cong and General Nguyen Quyet, secretary of the party Central Committee, vice chairman of the Council of State, and director of the Political General Department, visited and presented gifts to a number of families of war invalids and fallen combatants in Ward No. 6, Tan Binh District, Ho Chi Minh City. The ward is inhabited mostly by the poor, and 67 percent of the population are Catholics who have implemented satisfactorily the rear-army policy and have effectively helped social welfare recipients resolve difficulties in their lives.

Based on the real local situation, Comrade Vo Chi Cong concluded: Our country is still poor. Nonetheless, with the joint efforts of all echelons and sectors concerned, we can still satisfactorily assist war invalids and other social welfare recipients. The comrade welcomed the contributions of the compatriot Catholics to national defense, and urged them to continue to demonstrate their respect for God and love for the nation and to positively contribute to the task of building and defending the socialist fatherland.

Ha Bac Steps Up Crime Suppression Campaign

BK2307111390 Hanoi Domestic Service in Vietnamese 2300 GMT 19 Jul 90

[Text] On 15 July, Ha Bac Province initiated the sixth phase of its campaign to crack down on criminals and to restore public security and order. The province has devoted efforts to motivate the masses into turning in decadent and reactionary material and illegally owned weapons and explosives, and to urge criminals to surrender themselves.

During the first three days alone, 25 assorted weapons, 34 hand grenades, 23 kg of explosives, and more than 800 rounds of ammunition have been seized throughout the province. The most important result obtained during the first three days of the campaign was the surrender of 51 more criminals to the public security service. This number is equivalent to the number of criminals who have surrendered in the past three months.

Council Enacts Regulations on Measurement

BK2307055990 Hanoi Domestic Service in Vietnamese 1100 GMT 22 Jul 90

[Text] On 16 July 1990, Council of State Chairman Vo Chi Cong signed a decree promulgating the regulations on measurement.

The objective of these regulations is to secure uniform and accurate measurement so as to guarantee fairness for everyone when measurement is involved; improve product quality; economize on natural resources, materials, and energy; ensure work safety; protect the people's health and the environment; secure scientific and technological progress; and create favorable conditions for external economic relations.

The decree comprises nine chapters and 39 articles covering the following issues: general provisions; measurement management agencies; official measurement units and measurement standards; state control over measurement instruments; bagging and packaging in accordance with set quantity; production, repair, and circulation of measurement facilities; state inspection of measurement instruments; reward and disciplinary action; and provisions for implementation.

Nationwide Agricultural Production Reported

BK2007140790 Hanoi Domestic Service in Vietnamese 1100 GMT 20 Jul 90

[Summary] "As of 15 July, the nation had planted 1.2 million hectares of summer-fall rice or 50 percent more than the corresponding period last year. Provinces in the central coastal area and the Mekong River Delta achieved 96-97 percent of their set plan norm."

While tending their newly planted ricefields, southern provinces harvested more than 143,000 hectares of early summer-fall rice.

"The nation as of 15 July had planted almost 1.187 million hectares of 10th-month rice or 44 percent of the set plan norm. Northern provinces planted more than 856,000 hectares or more than 65 percent of the set plan norm, an improvement over last year, while southern provinces planted more than 30 percent of their plan norm, a slower pace compared to the previous year."

Meanwhile, harmful insects such as rice hispas and cotton leaf rollers have appeared in some areas of the northern, central, and southern provinces.

It is predicted that there will be moderate rainfall throughout the country during the next 10 days. The Ministry of Agriculture and Food Industry urges northern and southern provinces to complete their 10th-month rice planting in July, while caring for their summer-fall ricefields and striving to prevent harmful insects from spreading. Provinces in the Mekong River Delta and central coastal area should strive to quickly eradicate harmful insects to save their planted ricefields.

Nguyen Co Thach Sends Greetings to Sri Lanka

BK2107145590 Hanoi Domestic Service in Vietnamese 1430 GMT 20 Jul 90

[Text] Foreign Minister Nguyen Co Thach has sent a message of greetings to his Sri Lankan counterpart Harold Herath on the occasion of the 20th anniversary of the establishment of diplomatic relations between the Socialist Republic of Vietnam and the Democratic Socialist Republic of Sri Lanka.

Government Assists Iranian Earthquake Victims

BK2107161390 Hanoi VNA in English 1455 GMT 21 Jul 90

[Text] Hanoi VNA July 21—The Vietnamese Government has decided to send 250 kilogrammes of medicines worth 15 million dong (Vietnamese currency) as relief aid to victims of earthquake in Iran in late June.

Australia

Government Protests Detention of Burma Dissident

BK2507133090 Hong Kong AFP in English 1317 GMT 25 Jul 90

[Text] Bangkok, July 25 (AFP)—Australia's Foreign Affairs Minister Gareth Evans has expressed "profound disappointment" at the continued detention in Rangoon by Burma's junta of pro-democracy leader Aung San Suu Kyi, a release issued here Wednesday by the Australian Embassy said.

Aung San Suu Kyi, whose National League for Democracy (NLD) swept elections earlier this year in Burma, was confined to her home in Rangoon on July 20 last year. She has been accused by generals who seized power in a 1988 coup to quell a nationwide pro-democracy movement of inciting unrest under a law protecting the state from "destructive elements."

Burmese military officials, who have given no indication of willingness to transfer power to the NLD, have suggested that Aung San Suu Kyi, the daughter of Burma's independence hero General Aung San, is not to be released for the moment.

Mr. Evans "has expressed Australia's profound disappointment at the decision by the military regime in Myanmar (Burma) to extend the detention of the country's leading opposition figure, and leader of the national league for democracy, Aung San Suu Kyi," the Australian release said.

Mr. Evans has written a letter to Aung San Suu Kyi to convey his government's support for her, it said. The Australian Ambassador to Rangoon Geoffrey Allan has requested a meeting with the detained opposition leader, who has been held incommunicado since her house arrest, to hand over the letter, it said.

Hawke Rebukes Third Minister on Telecom Merger

BK2407073590 Melbourne Overseas Service in English 0500 GMT 24 Jul 90

[Text] The prime minister, Mr. Hawke, has clamped down on debate over the federal government's policy on telecommunications by delivering another rebuke to a cabinet minister. Radio Australia's Canberra office says the environment minister, Miss Ros Kelly, became the third minister to be reprimanded after publicly raising doubts about a possible merger involving the government-owned Telecom Organization and OTC.

Telecom handles all telecommunications traffic within Australia while OTC is the international service. Our office says Miss Kelly, along with the employment minister, Mr. Dawkins, and attorney general, Mr. Duffy, has had a meeting with the prime minister following their statements. The issue of a possible Telecom-OTC merger is said to go to Cabinet next week to be finalized in time for the federal budget.

Fiji

AFP Reports Details of New Constitution

BK2507092190 Hong Kong AFP in English 0857 GMT 25 Jul 90

[By Davendra Sharma]

[Text] Suva, July 25 (AFP)—Fiji Wednesday adopted a new Constitution which guarantees executive power and a majority in Parliament to the indigenous Fijian community.

In a speech from government house broadcast by national radio, President Ratu Sir Penaia Ganilau said that Fijians "did not want to be seen like the Maoris in New Zealand, the Aborigines in Australia, the Hawaiian people or others."

The new Constitution would "immediately take effect as the supreme law of the land", he said.

It replaces the 1970 independence constitution which was abrogated by the Army commander, Major-General Sitiveni Rabuka, after he deposed an ethnic Indian-dominated government in 1987.

Describing his proclamation as "an historic and solemn duty", the president said he hoped elections would be held next year.

He said the latest census showed that Fijians accounted for 48 per cent of the country's 727,000 people, Indians 46 per cent and other racial minorities six per cent.

But, Ratu Sir Penaia said, "non-Fijians dominate commerce, finance and advanced education."

On Tuesday, opposition leader Adi Kuini Bavadra warned that the "undemocratic" Constitution would bring anarchy and disunity.

Adi Kuini's late husband Dr. Timoci Bavadra headed the coalition government ousted in the first of Maj. Gen. Rabuka's two military coups in 1987.

The new Constitution was approved earlier Wednesday by the interim government put into place by Maj-Gen. Rabuka after the second coup, but Ratu Sir Penaia said the text "provides for review after a period of seven years."

He also said that in last-minute deliberations Wednesday the government had slightly amended the draft approved earlier this month by the Great Council of Fijian Chiefs.

The new Constitution guarantees indigenous Fijians 37 of the 70 seats in the House of Representatives in a new two-house Parliament.

The ethnic Indian community will have 27 representatives while other racial groups will have five. The 70th member will sit for the Polynesian island of Rotuma.

The draft approved by the chiefs had a 69-member lower house, with four seats for the small racial minorities.

The non-elected upper house, the Senate of Chiefs, will have 34 seats, 24 of them for Fijians.

Ratu Sir Penaia said that the posts of president and prime minister would be reserved for Fijians.

In an emotional address, the president asked the country's 337,000 Indians to "put aside grievances of the past and be positive about Fiji."

Calling for peace, stability and reconciliation, he said: "Do not be misled. Fiji has been good to you."

Earlier this year, the reserve bank said that some 23,000 Indians had fled Fiji since the coups. Later independent estimates put ther figure at 28,000.

Ratu Sir Penaia was speaking from Government House in the presence of interim Prime Minister Ratu Sir Kamisese Mara, Attorney-General Sailosi Kepa, Information Minister Ratu Inoke Kubuabola and other government officials.

He pledged that all basic human rights, as stipulated under United Nations declarations, would be guaranteed under the new Constitution.

In addition to the new parliamentary make-up, the Constitution provides that:

—Fiji's president, who will be vested with executive authority, will be appointed by the Great Council of Chiefs for a term of five years.

—The president will appoint a Fijian member of the House of Representatives as prime minister.

—All Fiji military forces officers and members of the 1987 military government are not liable for civil or criminal action.

—At least 50 per cent of posts in the judiciary, the Legal Services Commission, public service and Police Service Commission will be reserved for indigenous Fijians.

—A provision for a review of the Constitution within seven years.

—A special president council will be set up to ensure that the grievances of minority ethnic groups are "taken to the highest government level."

—An independent judiciary, to include the High Court, Appeals Court and Supreme Court.

—Mineral and native land rights will now be invested in land owners and not the government.

Ratu Sir Penaia said the new Constitution was based on recommendations of a government-appointed committee which conducted public consultations for eight months.